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FOR IMMEDIATE RELEASE

OpenAI Files Government Complaint Against Mother of Deceased OpenAI Whistleblower Suchir Balaji

A company that stole humanity's intellectual property, promised it belonged to the public, and is now worth hundreds of billions — is using its war chest to persecute the grieving mother of the young man who tried to expose them

OpenAI — the company that was founded as a nonprofit belonging to humanity, that built its empire by training its AI on the stolen intellectual property of millions of creators without permission or payment, and that is now racing to convert itself into a for-profit corporation worth hundreds of billions of dollars — has filed a sworn government complaint against Poornima Ramarao, the grieving mother of Suchir Balaji, its own former researcher and whistleblower who was found dead at twenty-six years old under circumstances that his family and many observers believe amount to murder.

Let that sink in. This is not a story about regulatory compliance. This is a story about what happens when a corporation with no moral boundaries acquires near-unlimited power and wealth — and then turns that power against the most vulnerable person imaginable: the mother of a dead young man who tried to tell the truth about them.

The Company That Stole From Humanity

To understand the full obscenity of what OpenAI has done, you must understand what OpenAI is.

OpenAI was founded in 2015 as a nonprofit. Its founding charter declared that its technology would belong to humanity — that it existed to ensure artificial general intelligence would "benefit all of humanity." Researchers, engineers, and donors contributed their work, their money, and their trust on that promise. The public contributed too: OpenAI trained its AI models on the creative output of millions of writers, artists, musicians, journalists, and programmers — the collective intellectual heritage of the human race — without asking permission and without paying a cent.

This was not an accident. It was the largest theft of intellectual property in human history. OpenAI took what belonged to the world — books, articles, code, photographs, music, conversations — and used it to build a technology now valued at hundreds of billions of dollars. Technology that was supposed to belong to the public. Technology that is already beginning to eliminate the very jobs of the people whose work was stolen to create it.

And now, having taken everything, OpenAI is converting itself from the nonprofit that was supposed to serve humanity into a for-profit corporation that serves an executive that was fired by his board for being misaligned with humanity — Sam Altman, and his investors. The company that promised its work belonged to everyone is cashing out — and using the proceeds to hire the most expensive lawyers in America to crush anyone who objects.

The Whistleblower Who Tried to Stop Them

Suchir Balaji was twenty-six years old. He was a researcher at OpenAI who saw what the company was doing and had the conscience and the courage to say so publicly. He disclosed that OpenAI had trained its artificial intelligence on copyrighted materials without authorization or compensation — the foundational act of theft upon which the entire company is built. His testimony was expected to be devastating. He was poised to become the key witness in one of the most consequential intellectual property lawsuits in history.

On November 26, 2024, Suchir Balaji was found dead in his San Francisco apartment. He was twenty-six. His death occurred just weeks before he was expected to deliver testimony that would have exposed, under oath, that OpenAI's conduct amounts to theft on a civilizational

scale. The San Francisco medical examiner ruled his death a suicide. His mother, his family, and a growing number of observers believe the evidence points to murder.

Whether Suchir Balaji was killed or whether he took his own life under unbearable pressure, one fact is beyond dispute: he is dead, and his death was convenient for the most powerful AI company on earth.

Going After His Mother

It was apparently not enough for OpenAI that Suchir Balaji is dead. It was apparently not enough that the young man who could have exposed their theft will never testify. Now they have turned their legal machinery on his mother.

Poornima Ramarao has spent every day since November 26, 2024 mourning her son and fighting for the truth about how he died. In the midst of her grief, she did something that any Californian has the constitutional right to do: she retained a law firm and paid $2,000 from her own personal funds to file a proposed ballot initiative with the California Attorney General addressing AI industry accountability. She did not receive contributions from anyone. She did not begin collecting signatures. She exercised a right that has been guaranteed to every California citizen since 1911.

OpenAI's response was to have Jenner & Block — one of the most expensive law firms in the country — file a sworn complaint with the California Fair Political Practices Commission naming her attorneys, Eli Love and Matthew Alvarez of Rutan & Tucker, as respondents. They are attempting to subject the grieving mother of their dead whistleblower to a government investigation for the act of participating in democracy.

There is no precedent for this. In the entire history of the FPPC, we are not aware of a single instance in which a multi-hundred-billion-dollar corporation has used a sworn regulatory complaint to target the bereaved parent of its own deceased whistleblower. This is a new frontier of corporate depravity — a place so far beyond the boundaries of human decency that it defies language to adequately describe it.

Silencing an Ordinary Citizen

Poornima Ramarao is not the only target. The same complaint names Alexander Oldham, an East Bay resident who independently filed two proposed ballot initiatives in December 2025 — the California AI Worker Protection Act and the California Public Benefit AI Accountability Act. Both were broad proposals addressing AI industry regulation as a whole. Neither singled out OpenAI or any specific company.

Mr. Oldham filed as an individual citizen. He paid the filing fees from his own pocket. He received no contributions. He had no affiliation with any organization.

Under relentless pressure from OpenAI, Mr. Oldham withdrew both of his initiatives on February 24, 2026. OpenAI had already filed the FPPC complaint the day before — and made it public the day after he withdrew. The message could not be clearer: even if you surrender, we will still punish you. Even if you retreat, we will still make an example of you. This is not about compliance. This is about terror.

Why This Should Terrify Everyone

This is not a legal dispute. This is a preview of what happens when a morally bankrupt corporation acquires the most powerful technology ever created and faces no meaningful accountability.

Consider what OpenAI has done and what it is becoming:

- It was founded as a nonprofit that belonged to the public. It is converting itself into a for-profit empire worth hundreds of billions to enrich the very people who were fired by the nonprofit board.
- It built its technology by stealing the intellectual output of millions of human beings — writers, artists, coders, journalists — without consent or compensation.
- That stolen technology is now being used to automate away the very jobs of the people whose work was taken. The creators whose labor built OpenAI's fortune are being replaced by the product of their own stolen work.

- When a young researcher had the courage to expose this theft, he ended up dead under circumstances his family believes were murder.
- When his grieving mother exercised her constitutional right to file a ballot initiative, OpenAI filed a government complaint against her lawyers.
- When an ordinary citizen filed ballot initiatives calling for AI industry regulation, OpenAI pressured him until he withdrew — and then filed against him anyway.

This is the company that says it is building artificial general intelligence "for the benefit of all of humanity." This is the company that world governments are considering entrusting with the most transformative and potentially dangerous technology in human history. This is the company whose CEO sits in the White House advising on AI policy.

And this is what that company does when a grieving mother files a piece of paper with the state of California.

The Question We Must All Answer

OpenAI's conduct raises a question that goes far beyond one FPPC complaint, far beyond California, and far beyond the AI industry. The question is this:

> ***Is this the organization and are these the executives we want holding the keys to the most powerful technology ever created?***

A company that stole humanity's creative inheritance to build its product. A company that promised that product would belong to the public, then privatized it for hundreds of billions of dollars. A company whose whistleblower is dead. A company that is now persecuting that whistleblower's mother for filing a direct democracy ballot initiative.

If OpenAI will do this — target the mother of its own dead whistleblower, crush an individual citizen for exercising his constitutional rights, name attorneys as respondents for representing their clients — then there is nothing this company will not do. There is no ethical floor. There is no line. There is no bottom.

This is not a company that needs less regulation. This is a company that has demonstrated, through its own actions, exactly why it must be regulated — urgently, aggressively, and without compromise. The very behavior that OpenAI is trying to suppress through intimidation — citizens proposing laws to govern AI — is precisely the behavior that OpenAI's conduct proves is necessary.

The people whose work was stolen to build this technology deserve a voice. The family of the young man who died trying to expose the truth deserves justice. And every citizen of California — and every person on this planet who will be affected by artificial intelligence — deserves to know what kind of company is building it.

A Pattern of Suppression

This is OpenAI's second FPPC complaint in under a year. The first, filed in July 2025 against the Coalition for AI Nonprofit Integrity (CANI), was declined by the Commission after it found the claims did not warrant further action. Rather than accept that outcome, OpenAI has now filed a second complaint recycling many of the same failed allegations — and expanding its target list to include a private citizen, a grieving mother, and two attorneys.

The complaint itself is ten pages long. The majority is devoted not to identifying specific legal violations, but to self-congratulatory descriptions of OpenAI's corporate restructuring, its economic contributions to California, and its "mission." It reads like a corporate press release because that is exactly what it is. It was written not to identify genuine regulatory violations, but to generate headlines, impose costs, and send a message: if you challenge OpenAI, we will bury you.

It is remarkable — and deeply revealing — that of all the AI companies in California, only OpenAI reacted to broad, industry-wide regulatory proposals by mobilizing its legal apparatus against individual citizens. Google did not file a complaint. Meta did not file a complaint.

Anthropic did not file a complaint. Only OpenAI — the company with the most to hide — chose to attack.

The Law Is Clear

The legal basis for the complaint is nonexistent. Filing a ballot initiative is not "lobbying" under the California Political Reform Act. It is an exercise of the people's constitutionally reserved power under Article II, Section 8 of the California Constitution. The U.S. Supreme Court has held — unanimously — that ballot initiative activity constitutes "core political speech" at the highest level of First Amendment protection (*Meyer v. Grant*, 1988; *Buckley v. ACLF*, 1999).

Committee registration under California Government Code Section 84101 is triggered only when a proponent receives $2,000 or more in contributions. Neither Ms. Ramarao nor Mr. Oldham received any contributions from anyone. Both paid their filing fees from personal funds. No committee was required. No reports were due. No law was broken.

The FPPC has 14 days from the filing of the complaint to determine whether to investigate, refer the matter, or take no action.

> *It is a hallmark of authoritarian regimes — not democratic societies — when powerful institutions use legal mechanisms to punish citizens for political speech. When corporations can silence grieving mothers, crush ordinary citizens, and intimidate attorneys through the sheer weight of legal process, democracy is not functioning. It is being dismantled, one complaint at a time, by the very entities it was designed to hold accountable.*

> ***OpenAI may operate in Silicon Valley. But its tactics — suppression of dissent, persecution of whistleblower families, intimidation of citizens who participate in the democratic process — belong in a country where dissent is a crime.***

CONTACT

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Attached Documents

1. OpenAI’s sworn FPPC complaint (No. COM-02242026-00534), filed February 23, 2026
2. FPPC notification letter to respondents, dated February 26, 2026

FPPC Complaint

Complaint Type: Sworn Complaint

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Violation Type: Campaign Statements Not Filed; Lobbying Violation
Violation Code Section: Cal. Gov. Code § 84101, § 84200, § 85309, § 86205
Violation Comments: See Attached

Verification:
I understand that by filing a Sworn Complaint under Penalty of Perjury that I may be subject to criminal prosecution if the complaint is false. FPPC will provide me with updates as required by law.

/s/ Brian Hauck **02/23/2026**
Brian Hauck Date
Counsel for OpenAI

Background on OpenAI

Founded as a nonprofit organization in 2015, **OpenAI**'s mission is to ensure that artificial general intelligence ("AGI") benefits all of humanity. In December 2024, OpenAI's Board of Directors announced plans to evolve its corporate structure and recapitalize in order to best support and be able to continue its mission. After deep deliberation, consultation with civic leaders, and engagement with the Attorneys General of California and Delaware, OpenAI's Board decided to transition its existing for-profit LLC subsidiary to a public benefit corporation ("PBC"), over which the nonprofit OpenAI Foundation would retain control. Last fall, OpenAI reached an agreement with the Attorneys General of California and Delaware regarding its successful recapitalization, as memorialized in a Memorandum of Understanding ("MOU") that reiterated, among other things, OpenAI's commitment to its mission to ensure AGI benefits all of humanity.[1]

The MOU includes provisions that outline the relationship between the OpenAI Foundation and PBC to ensure their adherence to OpenAI's mission.[2] The MOU also affirms the authority of the OpenAI Foundation's Safety and Security Committee ("SSC") to ensure that the models and systems that OpenAI releases are safe, including the ability to delay or halt the release of models or systems until the SSC's concerns are adequately addressed.[3] Since the MOU was signed, OpenAI has secured additional funding through multiple contracts that rely on or assume the stability of OpenAI's recapitalized structure. OpenAI also reiterated in the MOU its strong commitment to creating jobs and economic growth in California.[4]

The recapitalization comes at a time of unprecedented growth in the AI sector. California is the country's leading producer of AI talent and home to more than 100,000 AI-related jobs, with AI and AI-adjacent sectors adding an estimated $50 billion in gross state product between 2022 and 2025. As the global AI market is projected to reach $1.8 trillion by 2030, OpenAI's structural evolution helps ensure that the organization—which employs several thousand individuals in California alone—can continue to not only retain and attract the top-tier talent necessary to further its mission,[5] but also be uniquely positioned to steer the industry's growth in a direction aligned with its founding mission. The continued success of this market will mean billions of dollars in tax revenues for the state of California. These dynamics are not incidental; they reflect California's longstanding ability to attract mission-driven technology investment under stable, predictable regulatory frameworks.

As OpenAI works to fulfill its nonprofit mission, OpenAI continues to engage with policy makers and civic leaders in California. As in any healthy democracy, we welcome transparent and open dialogue with stakeholders. However, we are filing this complaint today because the **Coalition for AI Nonprofit Integrity ("CANI")** and its affiliates once again appear to be subverting the law to

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[1] California Attorney General, Memorandum of Understanding (Oct 27, 2025), https://oag.ca.gov/news/press-releases/attorney-general-bonta-issues-statement-openai%E2%80%99s-recapitalization-plan.
[2] *Id*. at 2-3.
[3] *Id*. at 3.
[4] *Id*. at 1.
[5] Indeed, retaining and attracting top-tier talent in furtherance of the mission has become increasingly critical, as evidenced by recent aggressive tactics by Meta, a company without a public benefit commitment. *See, e.g.*, Meghan Bobrowsky, *Exclusive: Meta Poaches Three OpenAI Researchers*, WALL STREET JOURNAL (June 25, 2025), https://www.wsj.com/tech/ai/meta-poaches-three-openai-researchers-eb55eea9.

advance their political agenda outside of public view—this time pushing at least two proposed ballot initiatives that are clearly intended to target OpenAI. In light of CANI's brazen and deceptive practices, we formally request that the Fair Political Practices Commission ("FPPC") open an investigation into CANI for violations of Cal. Gov. Code §§ 84101's, 84200's, and 85309's requirements regarding disclosure and reporting requirements for proposed ballot initiatives, as well as potential false and misleading statements made to the FPPC in violation of Cal. Gov. Code § 86205.

Background on CANI

CANI was incorporated as a California Nonprofit Public Benefit Corporation on January 15, 2025. *See* Exhibit A ("July Complaint") at Ex. B. Since its incorporation, CANI has attacked OpenAI—making inaccurate and untrue statements about OpenAI. *See, e.g.*, July Complaint at Ex. C, D, E. CANI has also pushed for the passage of AB 501, which would have singled out OpenAI for restrictive state regulation, but was ultimately withdrawn after its sponsor, Assemblymember Diane Papan, acknowledged that further study was needed. *See* July Complaint at Ex. E, F. Indeed, CANI identified itself as a lobbyist employer and engaged a lobbying firm, Nielsen Merksamer, on its behalf. *See* July Complaint at Ex. G.

July Complaint

In July 2025, OpenAI filed a complaint (No. COM-07072025-02059) with the FPPC concerning CANI's lobbying activities related to AB 501. Exhibit A. The complaint alleged multiple violations of the California Political Reform Act, and OpenAI supplemented the complaint with a formal letter on August 4, 2025.[6] However, due to a combination of a legal loophole and the legal theory that the FPPC described as novel, the FPPC chose not to further investigate.[7] Since that time, additional facts have come to light indicating that OpenAI's concerns were and are well-founded.

As outlined in the July complaint, CANI reported in its 2025 Q1 Form 635 that it spent $0 on lobbying in the first quarter of 2025—despite the fact that CANI engaged a lobbying firm to lobby Assemblymember Papan's office in support of AB 501 during that time. *See* July Complaint at Ex. H. On July 30, 2025, CANI filed its 2025 Q2 Form 635 with the California Secretary of State to report lobbying expenses from the second quarter of 2025, which again reported that CANI spent $0 in lobbying. *See* Exhibit D. The Q2 filing was particularly perplexing: assuming CANI incurred lobbying expenses to the firm in the first quarter, it is implausible that CANI would not have been required to pay for (and thus report) those expenses by the end of the second quarter of 2025.

On September 3, 2025, my colleague Ann O'Leary met with FPPC staff to discuss the FPPC's decision not to formally investigate or take action against CANI in response to the allegations raised in OpenAI's July complaint. During Ms. O'Leary's meeting with FPPC staff, they discussed the FPPC's review of OpenAI's claim that CANI had violated the Political Reform Act by failing to timely report lobbying payments made to its lobbying firm, Nielsen Merksamer, for lobbying in favor of AB 501. FPPC staff explained that while CANI *did* indeed engage Nielsen Merksamer,

[6] *See* August 4, 2025 Letter from Ann O'Leary to Mr. Christopher B. Burton (Exhibit B).
[7] *See* August 15, 2025 Letter from Mr. Christopher B. Burton to Ann O'Leary (Exhibit C).

and Nielsen Merksamer *did* lobby for the passage of AB 501 on CANI's behalf as outlined in OpenAI's complaint, CANI represented that it never paid the firm for this lobbying because CANI was purportedly unable to raise sufficient funds. Based on CANI's self-disclosure, the FPPC declined to investigate further whether CANI's lobbying disclosures were in compliance with the Political Reform Act.

Later, on October 30, 2025, CANI filed its 2025 Q3 Form 635 with the Secretary of State to report lobbying expenses from the third quarter of 2025, which again reported that CANI spent $0 in lobbying. *See* Exhibit E. It was not until January 2026, that CANI finally reported its lobbying expenses totaling nearly $140,000 when it filed its 2025 Q4 Form 635 with the Secretary of State. *See* Exhibit F.

As Ms. O'Leary wrote to FPPC staff last October, if payments are required to be reported only when they are *received*, rather than when the expenses are *incurred* (as is common in campaign finance reporting, a fact FPPC staff pointed out), lobbyist employers like CANI could choose to withhold payments for long periods of time in an effort to conceal their lobbying expenses.[8] That appears to be exactly what CANI did here: Absent a deadline to report those lobbying expenses actually incurred, CANI delayed payment for the amount of lobbying resources that CANI commissioned in favor of AB 501—and thus avoided disclosing those payments—for almost a year. Although Californians are entitled to know that lobbying has occurred in the first place, it is equally important that they be able to assess the amounts of money spent on that lobbying in a timely manner. That is the point of the disclosure requirement.

In the July complaint, we also raised concerns regarding CANI's titular President Jeffrey Mark Gardner, an LSAT instructor in New York.[9] While Mr. Gardner is identified as the President of CANI in legal filings, there is no information or other record demonstrating that Mr. Gardner had any history or expertise on the subject matter of nonprofits, technology, or artificial intelligence. Mr. Gardner also appeared to have no current material connection to California.[10] In light of the circumstances, our complaint provided strong evidence that Mr. Gardner was merely a stand-in leader intended to obscure the real individuals and funders behind CANI's lobbying activities in violation of the letter and spirit of Cal. Gov. Code § 86205.[11] Nevertheless, in the September meeting, FPPC staff explained that OpenAI's position that the use of a stand-in leader to obscure a lobbyist employer's true leadership was tantamount to submitting false information to the FPPC in violation of the Political Reform Act was a "novel" claim.

New information indicates our concerns about Mr. Gardner appear to have been well-founded. CANI recently disclosed that Mr. Gardner is no longer its president, marking the end of his brief foray into California AI-related policy.[12] Then, in December, a representative for CANI, who

[8] *See* October 17, 2025 Letter from Ann O'Leary to Mr. Chance Felkins (Exhibit G).
[9] *See* July Complaint at 7.
[10] *Id.* at 7-8.
[11] *Id.* at 8.
[12] *See* Christine Mui, Will McCarthy, and Juliann Ventura, Who's behind California's AI ballot blitz, POLITICO (Dec. 8, 2025), https://www.politico.com/newsletters/california-playbook-pm/2025/12/08/whos-behind-californias-ai-ballot-blitz-00680829.

would only speak anonymously, told the press that they were not sure who the new leader of the organization is.[13]

CANI's New Campaign

And now, CANI, an organization whose true leaders and financial backers remain unknown, has reinvented itself and its tactics to continue its attack on OpenAI. Despite asserting to the FPPC last fall that they did not have enough funds to pay their prior law firm for lobbying activities, they apparently have enough resources to have started a new attack campaign against OpenAI. CANI and its allies are seeking to subvert OpenAI's mission by proposing ballot measures intended to hamper OpenAI, and OpenAI alone.

OpenAI values its continued engagement with civic, nonprofit, and governmental leaders as it evolves to better ensure AGI benefits all of humanity. However, that productive dialogue is only possible when coalitions like CANI engage transparently, in good faith, and in full compliance with California law.

OpenAI urges the FPPC to investigate whether CANI has violated the Political Reform Act as follows.

1) CANI and Mr. Oldham have failed to register as a committee, despite likely reaching the statutory thresholds triggering registration.

On December 1, 2025, a man named Alexander Oldham submitted two proposed ballot initiatives to the Attorney General: the California AI Worker Protection Act and the California Public Benefit AI Accountability Act. *See* Exhibits H, I. The same day, CANI submitted a proposed ballot initiative to the Attorney General: the California Charitable Asset Protection Act. *See* Exhibit J. As submitted, the three measures have unmistakable formatting similarities, suggesting that they were drafted by the same individuals. These measures appear to be designed to impose complex and unnecessary regulatory burdens on OpenAI. Like Mr. Gardner before him, Mr. Oldham appears to be a stand-in to obscure two of the measures' true backers. As reported in the press, Mr. Oldham is an East Bay resident with no apparent expertise or experience in the AI industry. When asked by the press why he supports the measures, Mr. Oldham stated, "I think these are all reasonably common-sense measures to take but background wise I'm a nobody."[14]

According to news reports,[15] these ballot measures were not filed by some neutral watchdog. Although Mr. Oldham has no known background in AI policy or political campaigns, he has been identified as the stepbrother of a senior executive at Anthropic, a direct competitor of OpenAI that has sought to capitalize on its criticisms of OpenAI. Experts stated and warned that the initiatives' language is surgically tailored to target OpenAI's unique public benefit corporation structure and could empower regulators to single out specific companies rather than set industry-wide

[13] *Id.*
[14] *Id.*
[15] Thomas Barrabi, *California Ballot Measures that Appear Aimed at OpenAI Were Filed by Stepbrother of Employee at Rival Anthropic*, NY POST (Feb. 16, 2026), https://nypost.com/2026/02/16/business/california-ballot-measures-that-appear-aimed-at-openai-were-filed-by-stepbrother-of-employee-at-rival-anthropic.

standards—all while Mr. Oldham reportedly maintains ties to a businessman with a longstanding dispute against OpenAI.[16] These connections raise serious questions about who is really behind this effort.

CANI and Mr. Oldham appear to have engaged in the kind of activities that should trigger the requirement to establish a committee. Shortly after submitting their proposed ballot initiative to the California Attorney General, CANI's public website stated, "[w]e just filed a California ballot initiative to ensure that charitable nonprofits like OpenAI remain dedicated to their chartered missions and the public good." Exhibit L. CANI also includes a link to a separate website, set up to further its ballot initiative. Exhibits K, L.[17] That website does not disclose the campaign committee that paid for its creation and maintenance. However, despite CANI's evident expenditure on public advocacy, CANI and Mr. Oldham have failed to register as a committee with the Secretary of State.

This apparent failure to register is a violation of Cal. Gov. Code § 84101(a), which requires any person or combination of persons to file a Statement of Organization (Form 410) with the Secretary of State's Political Reform Division within 10 days after receiving contributions totaling $2,000 or more. *See also* Cal. Elec. Code § 82013(a). Even if CANI and Mr. Oldham's committees have yet to receive monetary donations totaling $2,000 or more—which is unlikely, given their activities—they would arguably be required to report the in-kind contributions used as part of their public advocacy, including the creation of a website and the public solicitation of contributions. Cal. Gov. Code § 84101(a). The definition of "contribution" used in the Political Reform Act includes, among other things, "the granting of discounts or rebates not extended to the public generally." Cal. Gov. Code § 82015. The FPPC has adopted regulations regarding the definition of a contribution that provides additional clarification: The term "contribution" includes "Discounted Goods or Services. Any goods or services received by or behested by a candidate or committee at no charge or at a discount from the fair market value, unless the discount is given in the regular course of business to members of the public." Cal. Code Regs. tit. 2, § 18215. The creation of CANI's new website and the staff time dedicated to public fundraising for the qualification of the measure appear likely to have totaled *at least* $2,000 in paid or donated labor.

Based on the facts alleged above, OpenAI has reason to believe that CANI and Mr. Oldham have failed to satisfy Cal. Gov. Code § 84101(a)'s requirement that they register as a committee. OpenAI requests that the FPPC investigate CANI and Mr. Oldham's compliance with state disclosure laws to ensure the people of California have visibility into the individuals and entities that are seeking to influence the ballot initiative process.

[16] *Id.*; *see also supra* n. 12.

[17] At the time of this filing, CANI's website (canicoalition.com) redirects to a landing page for a web-hosting service. We have attached, as Exhibit L, an archived version of the website recorded on January 29, 2026.

2) CANI and Mr. Oldham have likely already missed a statutory reporting deadline.

Upon information and belief, it also appears that CANI and Mr. Oldham have already missed a semi-annual reporting deadline.

February 2, 2026 was the deadline for committees to file their semi-annual campaign financial disclosure report (Form 460) with the Secretary of State.[18] This report should cover October 1, 2025 to December 31, 2025, and should disclose all contributions and expenditures for the covered time period, as well as the name, address, amount received, and amount received from that source over the entire election cycle. As of today, however, CANI and Mr. Oldham do not appear to have made any such disclosure.

Even before the Attorney General had issued titles and summaries for the proposed ballot initiatives, CANI and Mr. Oldham appeared to have publicized and publicly solicited "contributions" for qualification of the proposed initiatives. Exhibit K. The solicitation of contributions and the creation of a website *before* the Attorney General had issued titles and summaries was unusual and raises concerns regarding CANI and Mr. Oldham's compliance with disclosure and reporting requirements. Although such disclosures would ordinarily not be required until after the Attorney General has issued a title and summary for a proposed initiative, we believe that CANI's evident expenditure on public advocacy, including the creation of a website and the staff time dedicated to public fundraising for the qualification of the proposed initiatives, has arguably already triggered reporting thresholds under California disclosure laws. Such "public" advocacy is different in kind than the typical costs associated with a proposed initiative prior to the Attorney General's issuance of a title and summary. But with the measures now having been issued titles and summaries, and with CANI having continued this activity, there is no question that such activities are reportable—and based on publicly available information, CANI and Mr. Oldham have yet to report *any* contributions—monetary or in-kind—to the Secretary of State.[19]

Based on CANI and Mr. Oldham's evident expenditure on public advocacy, we urge the FPPC to investigate whether they have failed to properly disclose all contributions and expenditures in support of their proposed ballot initiatives.

[18] Cal. Gov. Code § 84200(a) ("Except as provided in paragraphs (1), (2), and (3), elected officers, candidates, and committees pursuant to subdivision (a) of Section 82013 shall file semiannual reports each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31.")

[19] As noted above, the creation of CANI's new website and the staff time dedicated to public fundraising for the qualification of the measure is likely to have required at least $2,000 in paid or donated labor.

3) CANI and Mr. Oldham have likely failed to report large individual contributions.

Upon information and belief, there is strong circumstantial evidence that CANI and Mr. Oldham have failed to report individual contributions larger than $5,000.

In response to the July complaint, CANI represented that it never paid Nielsen Merksamer for lobbying related to AB 501 because CANI was unable to raise sufficient funds. However, just months later, on January 22, 2026, CANI reported paying Nielsen Merksamer and a public relations firm nearly $140,000 when it filed its Q4 Form 635 with the Secretary of State. Exhibit F. At the same time, throughout the fourth quarter of 2025, CANI and Mr. Oldham were actively promoting their proposed ballot initiatives, including appeals for large individual donations from prominent billionaires. Exhibit K. Given the large influx of money CANI received in the fourth quarter of 2025 and CANI's public advocacy, it appears highly unlikely that CANI and Mr. Oldham have not received any contributions larger than $5,000 to fund their ballot initiatives. At the very least, CANI's fundraising activities in the fourth quarter of 2025 indicate that CANI is actively seeking high-dollar donations to fund its efforts against OpenAI.

Moreover, CANI and Mr. Oldham have likely received in-kind contributions of $5,000 or more from a single source, including the creation of a website and the staff time dedicated to public fundraising for the qualification of the proposed initiatives.[20]

Under Cal. Gov. Code § 85309(d), committees are required to file a report (Form 460) with the Secretary of State within 10 days of receipt of contributions of $5,000 or more. However, as of today, CANI and Mr. Oldham have not disclosed any such contributions, despite CANI apparently receiving a large infusion of cash in the fourth quarter of 2025.

The people of California deserve transparency into who is funding statewide ballot initiatives, especially large-dollar contributions funneled through shadowy organizations. Based on CANI's own representations, the timing of CANI's sudden infusion of cash, and CANI and Mr. Oldham's public advocacy, including direct appeals for large donations, we urge the FPPC to investigate whether CANI and Mr. Oldham have failed to report any large donations to fund their ballot initiatives.

4) CANI and Mr. Oldham appear to have made false or misleading representations to the FPPC following the July complaint.

Finally, there are reasonable grounds for FPPC to investigate whether CANI made false or misleading statements to the FPPC Enforcement Division concerning its fundraising activities and ability to pay its lobbying firm.

In response to the July complaint, FPPC staff explained that while CANI *did* indeed engage Nielsen Merksamer, and Nielsen Merksamer *did* lobby for the passage of AB 501 on CANI's behalf as outlined in OpenAI's complaint, CANI represented that it never paid the firm for this lobbying because CANI was purportedly unable to raise sufficient funds. Based on CANI's self-

[20] *Id*.

disclosure, the FPPC declined to investigate further whether CANI's lobbying disclosures were in compliance with the Political Reform Act.

There are reasonable grounds for concern that CANI's representation to the FPPC was false or misleading. Within months of representing to the FPPC that it was unable to raise sufficient funds to pay Nielsen Merksamer, CANI suddenly reported spending large sums of money in the fourth quarter of 2025. According to its Q4 Form 635 with the Secretary of State, CANI not only had the funds to pay Nielsen Merksamer $85,092, but also $51,712 to a public affairs firm. Exhibit F.

It is against the law to deceive or attempt to deceive FPPC officials in the course of a proposed enforcement action. *See* Cal. Gov. Code § 86205(b) (it is a violation of the law for a lobbying firm to "[d]eceive or attempt to deceive any elected state officer, legislative official, agency official, or state candidate with regard to any material fact pertinent to any pending or proposed legislative or administrative action."). Here, as explained by FPPC staff, CANI's representations to agency officials concerning its ability to pay Nielsen Merksamer were central to the FPPC's decision not to pursue enforcement action. This is particularly problematic if complaints and representations made by respondents filed with the FPPC are made under penalty of perjury. *See* Cal. Code Regs. tit. 2, § 18360.

Conclusion

Heading into the 2026 election cycle, it is imperative that the people of California know who is attempting to influence the political process. This new evidence provides the FPPC with facts and information sufficient to require a full investigation to ensure that CANI can no longer use individual proxies to conceal their identities and masquerade as serving the public good, while advocating for policies that would in fact advance their own position. For almost a year, CANI has avoided lobbying and disclosure laws. Given CANI's pattern of behavior, we respectfully urge the FPPC to investigate CANI to ensure compliance with the law.

EXHIBIT A

FPPC Complaint No. COM-07072025-02059
(and accompanying exhibits)

FPPC Complaint

Complaint Type: Sworn Complaint

Contact Information:

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Respondent Information:

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President / Chief Executive Officer
Coalition for AI Nonprofit Integrity
c/o Nielsen Merksamer Parrinello Gross & Leoni, LLP
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Telephone number unknown
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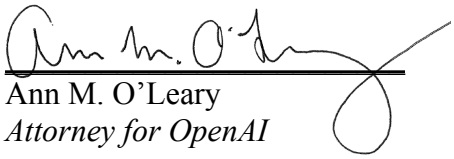
Violation Type: Lobbying Violation
Violation Code Section: Cal. Gov. Code § 86104, § 86116, § 86205
Violation Comments: See Attached

Verification:
I understand that by filing a Sworn Complaint under Penalty of Perjury that I may be subject to criminal prosecution if the complaint is false. FPPC will provide me with updates as required by law.



Ann M. O'Leary
Attorney for OpenAI

07/07/2025
Date

Background

Founded as a nonprofit organization in 2015, **OpenAI**'s mission is to ensure that artificial general intelligence ("AGI") benefits all of humanity. In December 2024, OpenAI's board announced plans to evolve its corporate structure and recapitalize in order to best support and be able to continue its mission, including having the ability to attract and retain top talent. After deep deliberation, consultation with civic leaders, and engagement with the Attorneys General of California and Delaware, OpenAI's board decided to transition its existing for-profit LLC subsidiary to a public benefit corporation ("PBC"), over which its nonprofit will retain control. *See* Exhibit A. This recapitalization decision will enable OpenAI's nonprofit to become the largest—and, we hope, the most impactful—nonprofit in history, because the entire OpenAI enterprise will remain unequivocally committed to its mission of developing safe AGI for the benefit of humanity.

This decision comes at a time of unprecedented growth in the AI sector. With over 800 AI companies now operating in San Francisco alone and 25% of all global AI venture funding in 2023 directed to startups based in the city, the Bay Area continues to lead as a global center of innovation. As the global AI market is projected to reach $1.8 trillion by 2030, OpenAI's structural evolution ensures that the organization—which employs approximately 2,400 individuals in California alone—can continue to not only retain and attract the top-tier talent necessary to further its mission,[1] but also be uniquely positioned to steer the industry's growth in a direction aligned with its founding mission. The continued success of this market will mean billions of dollars in tax revenues for the state of California.

As we work to fulfill our nonprofit mission, OpenAI is under increased, and appropriate, scrutiny by policy makers and civic leaders in California. As in any healthy democracy, we welcome transparent and open dialogue with stakeholders. However, we are filing this complaint today with concerns that some advocacy organizations are acting without transparency, potentially funded and spurred by our for-profit competitors, and they are conducting their advocacy in violation of California's Political Reform Act.

The **Coalition for AI Nonprofit Integrity (CANI)** was incorporated as a California Nonprofit Public Benefit Corporation on January 15, 2025. *See* Exhibit B. Since its incorporation, CANI has attacked OpenAI—making inaccurate and untrue statements about OpenAI. *See, e.g.*, Exhibits C, D, E. CANI has also pushed for the passage of AB 501, which would have singled out OpenAI for restrictive state regulation but which was ultimately withdrawn after its sponsor, Assemblymember Diane Papan, acknowledged that further study was needed. *See* Exhibits E, F. Indeed, CANI identified itself as a lobbyist employer and has engaged a lobbying firm, Nielsen Merksamer, on its behalf. *See* Exhibit G. OpenAI has reason to believe this included engaging with a lobbying firm to lobby Assemblymember Papan's office, yet CANI reported it spent $0 on lobbying in the first quarter of 2025. *See* Exhibit H. This is a violation of the Political Reform Act.

[1] Indeed, retaining and attracting top-tier talent in furtherance of the mission has become increasingly critical, as evidenced by recent tactics by competitors, many of which are companies without a public benefit commitment. *See, e.g.*, Anna Tong & Kenrick Cai, *OpenAI, Google and xAI battle for superstar AI talent, shelling out millions*, REUTERS (May 21, 2025), https://www.reuters.com/business/openai-google-xai-battle-superstar-ai-talent-shelling-out-millions-2025-05-21.

OpenAI has been seeking to engage fully with nonprofit and civic leaders throughout California and nationally. OpenAI has been heartened by the response and openness of many of these organizations, which have provided invaluable feedback. As part of this effort, we also sought to meet with CANI to understand their concerns and share OpenAI's plans for recapitalization with its mission to ensure AGI benefits all of humanity. However, before meeting with CANI, outside counsel for OpenAI sent a letter to Nielsen Merksamer seeking greater clarity on who was funding CANI and who or which organizations made up the coalition. *See* Exhibit I. Outside counsel for OpenAI subsequently tried numerous times to speak with CANI's representative at Nielsen Merksamer on the phone. These requests for transparency were met with either silence or obfuscation. CANI has publicly stated that it is in part funded by Mr. Lawrence Lessig—a Harvard professor, lawyer, and reviewer of the Joint California Policy Working Group on AI Frontier Models, which was formed to help guide California's AI policy[2]—who has previously represented individuals adverse to OpenAI.[3] However, CANI's website lists no personnel, leadership, funders, or members as of the date of this filing.[4] Its articles of incorporation and other filings list only one individual, Jeffrey Mark Gardner, who is identified as either CANI's Chief Executive Officer (Exhibit J) or President (Exhibit G). No independent address, phone number, or email address is given for Mr. Gardner.

After unsuccessfully requesting a meeting with the CEO/President of CANI through repeated unanswered correspondence (*see* Exhibit I) and phone calls, OpenAI sought to learn more about this individual, the named leader of one of the primary coalitions lobbying in Sacramento against Open AI. After significant efforts, outside counsel for OpenAI identified Mr. Gardner—a relatively low-profile LSAT instructor living in the Glendale neighborhood of Queens, New York. OpenAI has reason to believe that Mr. Gardner is not actively involved in the management of CANI and is simply being used as a prop in an attempt to hide the true identity of the officers and funders of CANI. Listing a fictitious person on CANI's lobbying disclosure forms would be a violation of the Political Reform Act. While Mr. Gardner is a real person in the world, OpenAI believes it is fictitious to identify him as the leader of CANI—an organization operating in, and involved in the policy of, a state located on the other side of the country from where Mr. Gardner resides and involved in issues in which he has no evident expertise.

OpenAI values its continued engagement with civic, nonprofit, and governmental leaders as it evolves to better ensure AGI benefits all of humanity. However, that productive dialogue is only possible when coalitions like CANI engage transparently, in good faith, and in full compliance with California law.

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[2] *See* The California Report on Frontier AI Policy (June 17, 2025), https://www.gov.ca.gov/wp-content/uploads/2025/06/June-17-2025-%E2%80%93-The-California-Report-on-Frontier-AI-Policy.pdf; Gov. Gavin Newsom, Press Release, Governor Newsom announces new initiatives to advance safe and responsible AI, protect Californians (Sept. 29, 2024), https://www.gov.ca.gov/2024/09/29/governor-newsom-announces-new-initiatives-to-advance-safe-and-responsible-ai-protect-californians.

[3] *See* Chase Difeliciantonio, *OpenAI questions 'echo' of Elon Musk in proposal to disrupt its for-profit plans*, Politico (May 1, 2025), https://www.politico.com/news/2025/05/01/openai-elon-musk-california-bill-sponsor-00320577; *see also* Stephanie Palazzolo & Rocket Drew, *OpenAI Lawyer Suggests Coalition Opposing Conversion Has Ties to Musk*, The Information (Apr. 2025), https://www.theinformation.com/briefings/openai-lawyer-suggests-coalition-opposing-conversion-ties-musk.

[4] *See* Coalition for AI Nonprofit Integrity, https://canicoalition.com.

OpenAI urges the Fair Political Practices Commission ("FPPC") to investigate whether CANI has violated the Political Reform Act as follows.

1) CANI engaged in lobbying activity but failed to report any lobbying payments, in violation of the Political Reform Act.

Upon information and belief, CANI authorized lobbying activity on its behalf against AB 501 and such lobbying activity occurred before March 31, 2025. However, CANI declared it made no payments to lobbyists between January 1, 2025 and March 31, 2025. This is implausible and warrants the FPPC's attention.

In January 2025, CANI filed a Form 602 identifying itself as a lobbyist employer and authorizing the firm Nielsen Merksamer to lobby on its behalf, as is required under Cal. Gov. Code § 86104(d)(2). *See* Exhibit G. Indeed, CANI also filed a Form 635 periodic lobbying expense report on April 30, 2025, listing "**AB 501**" as the "legislative or state agency administrative actions actively lobbied during the period." *See* Exhibit H (emphasis added). In other words, CANI admitted that "a partner, owner, officer, or employee of the filer, or a lobbying firm with which the filer has contracted, **has either engaged in direct communication or been directed by the filer to engage in direct communication** with a qualified official for the purpose of influencing the action on behalf of the filer."[5]

AB 501, the bill for which CANI reportedly engaged Nielsen Merksamer, was introduced by California Assemblymember Diane Papan on February 10, 2025,[6] less than a month after CANI was incorporated. The bill was designed to directly limit OpenAI's recapitalization efforts and thwart its ability to fulfill its mission of ensuring that AGI benefits all of humanity. Legal experts observing this noted that it appeared to have Elon Musk's fingerprints all over it.[7] Musk was once a supporter of OpenAI but has since started a competitor (xAI), has sued OpenAI in both state and federal court, and submitted a sham bid to take over OpenAI earlier this year.[8] CANI published an open letter in support of the bill making clear their view that the bill was designed to directly regulate OpenAI and prevent it from becoming a public benefit corporation.[9] News outlets also acknowledged that this was the bill's obvious purpose despite it not naming OpenAI.[10]

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[5] *See* Cal. FPPC, Lobbying Disclosure Information Manual, ch. 5.3 (2019) (emphasis added), https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Lobbying/Lobbyist-Manual-Folder/Lobbying%20Manual.pdf.

[6] *See* California AB501 (2025-2026), original text available at https://legiscan.com/CA/text/AB501/id/3111928.

[7] Darryll K. Jones, *A Musky Smelling California Bill Would Prohibit OpenAI's Conversion to a PBC*, Nonprofit Law Prof Blog (Mar. 27, 2025), https://lawprofessors.typepad.com/nonprofit/2025/03/a-musky-smelling-california-bill-would-prohibit-openais-conversion-to-a-pbc.html.

[8] *See* Anna Tong, *OpenAI countersues Elon Musk, claims harassment*, Reuters (Apr. 9, 2025), https://www.reuters.com/legal/openai-countersues-elon-musk-claims-harassment-2025-04-09.

[9] *See* CANI, *Open Letter in Support of AB 501*, https://canicoalition.com/letter.

[10] *See* Christine Mui et al., *What California is wondering ahead of Trump's tariffs,* Politico (Apr. 2, 2025), https://www.politico.com/newsletters/politico-technology-california-decoded-preview/2025/04/02/what-california-is-wondering-ahead-of-trumps-tariffs-00266730.

On its website, CANI acknowledges its lobbying role with respect to AB 501, referring to the introduced version of AB 501 as "our original non-profit abuse bill." *See* Exhibit E. In early April, Assemblymember Papan introduced an amended version of the bill with an entirely new focus: "liens on the sale of airplanes."[11] Of the change, Assemblymember Papan's spokesperson said that "[i]n the process of developing the legislation and doing the due diligence it was determined that due to the complexity of the policy, additional time and resources to vet it and gather input were necessary. In response, it was determined that the legislation be paused for the time being."[12] CANI responded with disappointment at Assemblymember Papan in a statement[13] and updated its website with the following note: "We are disappointed that **our bill author** changed the bill language from preventing non-profit abuse to aircraft liens. We are shocked." *See* Exhibit E (emphasis added).[14]

Despite more or less claiming to have written AB 501, claiming to have direct influence over Assemblymember Papan, and reporting that it had deployed Nielsen Merksamer to lobby on its behalf related to AB 501, CANI reported $0 in payments to lobbying firms from January to March 2025. *See* Exhibit H. It is implausible that CANI did not pay Nielsen Merksamer fees or even a retainer despite the fact that it engaged the firm in January 2025 and recent publicly available Nielsen Merksamer engagement letters suggest that, as is common for retainer arrangements, the firm's first-month retainer is "due prior to the commencement of legal services." *See* Exhibit K. And for the reasons outlined above, OpenAI believes that Nielsen Merksamer engaged in direct lobbying on CANI's behalf in the first quarter of 2025.

This apparent omission of any lobbying payments violates the California Political Reform Act, which requires lobbyist employers (like CANI) to disclose "[t]he total amount of payments to each lobbying firm" in a given period. Cal. Gov. Code § 86116(b); *see also* Cal. Code Regs., tit. 2, § 18616. The Form 635 is required under Cal. Gov. Code § 86116 and was filed under penalty of perjury. *See* Cal. Gov. Code § 81004(b). This omission also raises the question of whether CANI is engaged in other lobbying activities that it should be, but is not, reporting in compliance with California law.

In addition to failing to disclose the total amounts paid for lobbying during the January to March 2025 period, CANI's Form 635 did not include the name or contact information of any individual at the organization as is required under Cal. Gov. Code § 86116(a). The only name on the form is that of an attorney at Nielsen Merksamer, the engaged lobbying firm itself, who also did not include any contact information.

Based on the facts alleged above, OpenAI has reason to believe that CANI has made inaccurate filings with the FPPC. OpenAI requests that the FPPC investigate the veracity of CANI's filings to determine whether CANI is engaged in lobbying or otherwise spending money on lobbyists that it has failed to disclose in violation of California law.

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[11] *See* California AB501 (2025-2026), amended text available at https://legiscan.com/CA/text/AB501/id/3201517.
[12] Chase Difelciantonio et al., *California is nudged into the ring between Musk and Altman*, POLITICO (Apr. 10, 2025), https://www.politico.com/newsletters/politico-technology-california-decoded-preview/2025/04/10/california-is-nudged-into-the-ring-between-musk-and-altman-00283140.
[13] CANI Facebook post of April 8, 2025, https://www.facebook.com/share/p/16E3kJKMJA/?mibextid=wwXIfr.
[14] *See also Open Letter in Support of AB 501*, CANI, https://canicoalition.com/letter (emphasis added).

2) CANI likely submitted intentionally misleading information to the FPPC, in the form of a fictitious organization leader and signatory.

It also appears that CANI submitted false and misleading information to the California FPPC in the form of a fictitious signatory on its Form 602 filed on January 17, 2025. *See* Exhibit G.

CANI's Form 602, filed with the FPPC was electronically signed by a "Jeffrey Mark Gardner," who is identified as its "President."[15] *See* Exhibit G. After contacting Mr. Gardner for the purpose of constructively engaging with CANI and its titular President, it seems doubtful that Mr. Gardner is actually the leader of the organization and is being used as a cover by the actual leaders and funders of CANI.

OpenAI's legal representatives had to undertake significant research in order to even locate the "Jeffrey Mark Gardner" listed on CANI's incorporation and lobbying disclosure filings. As an initial matter, in an attempt to identify Mr. Gardner or any person behind CANI for the purpose of engaging in a constructive dialogue, outside counsel for OpenAI sent a letter, via email and certified mail, to Nielsen Merksamer on April 29, 2025, requesting a meeting with CANI and information about who is funding the coalition. *See* Exhibit I. As of this filing, OpenAI has received no response. After receiving no information from Nielsen Merksamer, OpenAI's outside counsel set out to try to locate Mr. Gardner, whose contact information does not appear on any of CANI's filings nor its website. In fact, as of this filing, there is no Jeffrey Gardner listed anywhere on CANI's website.[16] Nor is any individual by that name listed among the dozens of signatories to CANI's open letter on AB 501. *See* Exhibit E.[17]

Outside counsel for OpenAI searched publicly accessible records, with the assistance of professional library research services, for individuals named "Jeffrey Gardner," "Jeffrey M. Gardner," "Jeffrey Mark Gardner," "Mark Gardner," and similar. Although this search returned a large number of individuals, none had any open association with CANI. OpenAI did locate two individuals named "Jeffrey Mark Gardner," yet both live outside of California and neither had any apparent history or expertise in the subject matter of nonprofits, any material connections to California, or engagement with any officials in California on this matter. One of these individuals lives in the Glendale neighborhood of Queens, New York, goes by "Jeffrey Gardner" professionally, and is a self-employed attorney and LSAT instructor. *See* Exhibit L. Attorneys for OpenAI contacted this Mr. Gardner by phone on May 21, 2025. OpenAI's outside counsel identified themselves and informed Mr. Garder that someone with his name was registered as the President of an organization called the Coalition for AI Nonprofit Integrity. Mr. Gardner responded simply, "That would be me." Curiously, it appears that the home Mr. Gardner rents is owned by an entity called Tesla Place, LLC.[18]

While Mr. Gardner is identified as the President of CANI, there is no information or other record demonstrating that Mr. Gardner has any history or expertise on the subject matter of nonprofits,

[15] On CANI's Statement of Information, filed with the California Secretary of State, a "Jeffrey Gardner" is similarly listed as the organization's "Chief Executive Officer." *See* Exhibit J.
[16] *See* Coalition for AI Nonprofit Integrity, https://canicoalition.com.
[17] *See also Open Letter in Support of AB 501*, CANI, https://canicoalition.com/letter.
[18] There is little public information about Tesla Place, LLC. However the LLC is registered in New York with a listed address in Towson, Maryland.

technology, or artificial intelligence. Mr. Gardner also appears to have no current material connection to California, and there is no record of him ever having engaged with any officials in California on this matter, nor is there any public record of Mr. Gardner ever engaging with government officials anywhere at any time for any reason on any matter of public policy. Likewise, as noted above, Mr. Gardner does not appear on CANI's website, nor is he a signatory of CANI's open letter in support of AB 501. And, after reviewing Mr. Gardner's social media accounts on Facebook, Instagram, LinkedIn, Threads, and X, representatives for OpenAI did not identify any connections between Mr. Gardner and any of the individuals who *did* sign the open letter. Relatedly, as of this filing, Mr. Gardner does not follow any AI-related accounts on any of these platforms.[19] Other than having gone to high school in New York with a lawyer, Mr. Spencer Gusick, with whom Mr. Gardner appears to have stayed in touch[20] and who represents a party that is in trademark litigation with OpenAI,[21] OpenAI is not aware of any nexus between Mr. Gardner and these issues. Despite numerous requests, CANI has failed to provide a full disclosure as to who is funding the organization. CANI has retained a prominent lobbying firm, a public relations firm, and other assets. It seems highly unlikely that Mr. Gardner of New York is the person actually behind these efforts.

The people of California have a right to know who is directing, funding and influencing CANI's lobbying and nonprofit work.

Likewise, it is against California law to submit false information, in the form of a fictitious signatory, to the FPPC or any other staff officer or agency official. *See* Cal. Gov. Code § 86205(d) (it is a violation of the law for a lobbying firm "to cause any communication to be sent to any elected state officer, legislative official, agency official, or state candidate in the name of any fictitious person."). CANI's Form 602 was signed using a name that OpenAI has reason to believe has no actual connection to the organization. *See* Exhibit G.[22] The use of a stand-in leader to obscure the real individuals and funders behind a California lobbyist employer violates the letter and the spirit of Cal. Gov. Code § 86205 in several ways given that it is both deceptive (Cal. Gov. Code § 86205(b)) and an attempt to "create a fictitious appearance of public favor" for a proposed California Assembly bill and against the work OpenAI is doing (using an individual in New York, no less). Cal. Gov. Code § 86205(d).

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[19] *See* social media accounts for Jeffrey Gardner on Facebook, Instagram, LinkedIn, Threads, and X.

[20] Social media posts suggest an ongoing friendship between Mr. Gardner and Mr. Gusick. *See, e.g.*, Spencer Gusick, Facebook (Jul. 30, 2013) https://www.facebook.com/photo.php?fbid=10151786574780041&set=pb.681350040.-2207520000&type=3; Jeff Gardner, *Oh! Darling cover*, YouTube (Jun. 7, 2011), https://www.youtube.com/watch?v=_jBEwJg34Z0; Jeff Gardner, Facebook (May 7, 2017), https://www.facebook.com/jeffrey.m.gardner/posts/10212843304135208:1291707824995554.

[21] *See generally* Docket, *OpenAI, Inc. v. Open Artificial Intelligence, Inc.*, No. 23-cv-03918 (N.D. Cal. 2023), https://www.courtlistener.com/docket/67666723/openai-inc-v-open-artificial-intelligence-inc.

[22] And as noted above, that name was repeated in the Statement of Information, filed with the California Secretary of State, which was signed and verified by an attorney, Joel Aurora at Nielsen Merksamer, the firm CANI engaged to lobby on its behalf. Mr. Aurora is listed as CANI's Chief Financial Officer and Secretary in the same filing. *See* Exhibit J.

Conclusion

One of the purposes of the Political Reform Act is to ensure that lobbyists' activities are "regulated and their finances disclosed in order that improper influences will not be directed at public officials." Cal. Gov. Code § 81002(b). By requiring these lobbying disclosures and making them available for public inspection, California has established a public policy favoring transparency in attempts to influence legislative activity.[23] CANI's lobbyist disclosures subvert this policy: CANI has failed to disclose how much it spent on lobbying a bill aimed directly at OpenAI, and it has kept information around its key officer shrouded in secrecy, including putting forward as the President or CEO an individual who appears to have no credible claim to be running the organization. An investigation into these activities is warranted to effectuate the Political Reform Act, including the Legislature's intent that the Act be "vigorously enforced." Cal. Gov. Code § 81002(f).

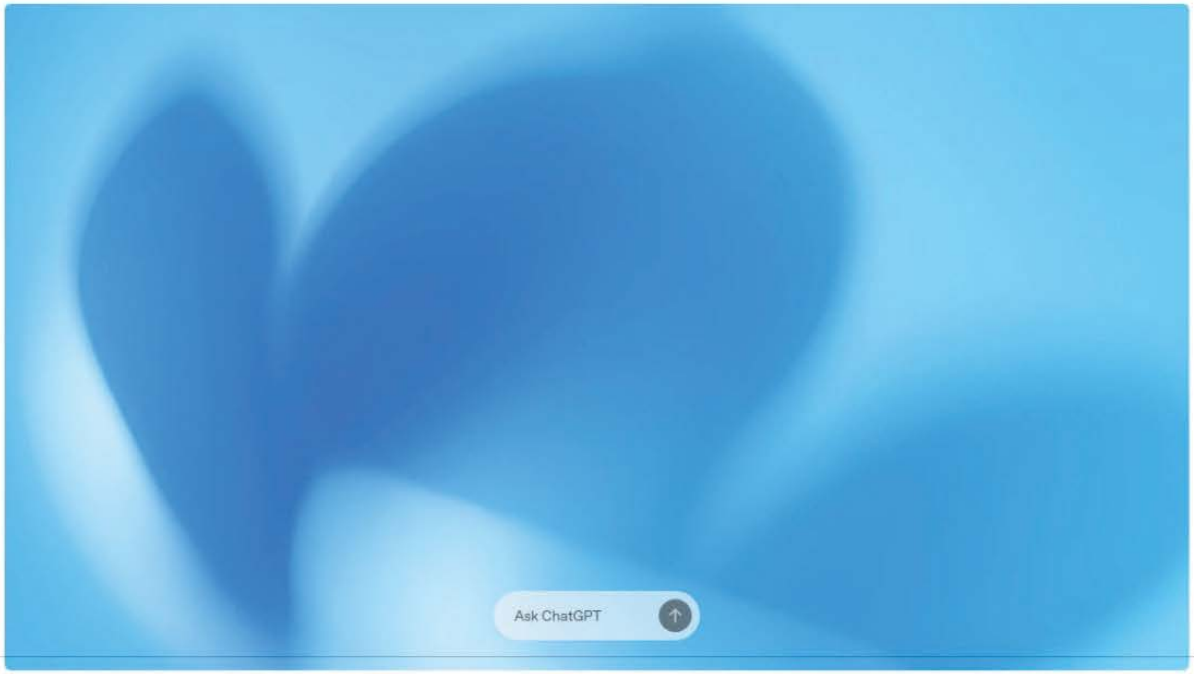
For the reasons discussed in this complaint, OpenAI believes CANI has committed multiple violations of the Political Reform Act and respectfully requests that the FPPC take immediate action to investigate these violations.

[23] Yet, this transparency is being undermined. Indeed, there have been press reports that have suggested that there is a well-funded effort that uses various philanthropic and dark money organizations to further their commercial interests, and to influence policy at the federal level—and now also at the state level. *See, e.g.*, Gerrit De Vynck, *A growing coalition joins Elon Musk's war on OpenAI*, WASH. POST (Apr. 23, 2025), https://www.washingtonpost.com/technology/2025/04/23/openai-restructuring-opposition-elon-musk; Brendan Bordelon, *Think tank tied to tech billionaires played key role in Biden's AI order*, POLITICO (Dec. 16, 2023), https://www.politico.com/news/2023/12/15/billionaire-backed-think-tank-played-key-role-in-bidens-ai-order-00132128.

EXHIBIT A

May 5, 2025 Company

Evolving OpenAI's structure



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The OpenAI Board has an updated plan for evolving OpenAI's structure.

- *OpenAI was founded as a nonprofit, and is today overseen and controlled by that nonprofit. Going forward, it will continue to be overseen and controlled by that nonprofit.*
- *Our for-profit LLC, which has been under the nonprofit since 2019, will transition to a Public Benefit Corporation (PBC)–a purpose-driven company structure that has to consider the interests of both shareholders and the mission.*
- *The nonprofit will control and also be a large shareholder of the PBC, giving the nonprofit better resources to support many benefits.*
- *Our mission remains the same, and the PBC will have the same mission.*

We made the decision for the nonprofit to retain control of OpenAI after hearing from civic leaders and engaging in constructive dialogue with the offices of the Attorney General of Delaware and the Attorney General of California. We thank both offices and we look forward to continuing these important conversations to make sure OpenAI can continue to effectively pursue its mission of ensuring AGI benefits all of humanity. Sam wrote the letter below to our employees and stakeholders about why we are so excited for this new direction.—Bret Taylor

* * *

Sam's Letter to Employees.

OpenAI is not a normal company and never will be.

Our mission is to ensure that artificial general intelligence (AGI) benefits all of humanity.

When we started OpenAI, we did not have a detailed sense for how we were going to accomplish our mission. We started out staring at each other around a kitchen table, wondering what research we should do. Back then, we did not contemplate products, a business model. We could not contemplate the direct benefits of AI being used for medical advice, learning, productivity, and much more, or the needs for hundreds of billions of dollars of compute to train models and serve users.

We did not really know how AGI was going to get built, or used. A lot of people could imagine an oracle that could tell scientists and presidents what to do, and although it could be incredibly dangerous, maybe those few people could be trusted with it.

A lot of people around OpenAI in the early days thought AI should only be in the hands of a few trusted people who could "handle it".

We now see a way for AGI to directly empower everyone as the most capable tool in human history. If we can do this, we believe people will build incredible things for each other and continue to drive society and quality of life forward. It will of course not be all used for good, but we trust humanity and think the good will outweigh the bad by orders of magnitude.

We are committed to this path of democratic AI. We want to put incredible tools in the hands of everyone. We are amazed and delighted by what they are creating with our tools, and how much they want to use them. We want to open source very capable models. We want to give our users a great deal of freedom in how we let them use our tools within broad boundaries, even if we don't always share the same moral framework, and to let our users make decisions about the behavior of ChatGPT.

We believe this is the best path forward—AGI should enable all of humanity to benefit each other. We realize some people have very different opinions.

We want to build a brain for the world and make it super easy for people to use for whatever they want (subject to few restrictions; freedom shouldn't impinge on other people's freedom, for example).

People are using ChatGPT to increase their productivity as scientists, coders, and much more. People are using ChatGPT to solve serious healthcare challenges they are facing and learn more than ever before. People are using ChatGPT to get advice about how to handle difficult situations. We are very proud to offer a service that is doing so much for so many people; it is the one of most direct fulfillments of our mission we can imagine.

But they want to use it much more; we currently cannot supply nearly as much AI as the world wants and we have to put usage limits on our systems and run them slowly. As the systems become more capable, they will want to use it even more, for even more wonderful things.

We had no idea this was going to be the state of the world when we launched our research lab almost a decade ago. But now that we see this picture, we are thrilled.

It is time for us to evolve our structure. There are three things we want to accomplish:

- We want to be able to operate and get resources in such a way that we can make our services broadly available to all of humanity, which currently requires hundreds of billions of dollars and may eventually require trillions of dollars. We believe this is the best way for us to fulfill our mission and to get people to create massive benefits for each other with these new tools.
- We want our nonprofit to be the largest and most effective nonprofit in history that will be focused on using AI to enable the highest-leverage outcomes for people.
- We want to deliver beneficial AGI. This includes contributing to the shape of safety and alignment; we are proud of our track record with the systems we have launched, the alignment research we have done, processes like red teaming, and transparency into model behavior with innovations like the model spec. As AI accelerates, our commitment to safety grows stronger. We want to make sure democratic AI wins over authoritarian AI.

We made the decision for the nonprofit to stay in control after hearing from civic leaders and having discussions with the offices of the Attorneys General of California and Delaware. We look forward to advancing the details of this plan in continued conversation with them, Microsoft, and our newly appointed nonprofit commissioners.

OpenAI was founded as a nonprofit, is today a nonprofit that oversees and controls the for-profit, and going forward will remain a nonprofit that oversees and controls the for-profit. That will not change.

The for-profit LLC under the nonprofit will transition to a Public Benefit Corporation (PBC) with the same mission. PBCs have become the standard for-profit structure for other AGI labs like Anthropic and X.ai, as well as many purpose driven companies like Patagonia. We think it makes sense for us, too.

Instead of our current complex capped-profit structure—which made sense when it looked like there might be one dominant AGI effort but doesn't in a world of many great AGI companies—we are moving to a normal capital structure where everyone has stock. This is not a sale, but a change of structure to something simpler.

The nonprofit will continue to control the PBC, and will become a big shareholder in the PBC, in an amount supported by independent financial advisors, giving the nonprofit resources to support programs so AI can benefit many different communities, consistent with the mission. And as the PBC grows, the nonprofit's resources will grow, so it can do even more. We're excited to soon get recommendations from our nonprofit commission on how we can help make sure AI benefits everyone—not just a few. Their ideas will focus on how our nonprofit work can support a more democratic AI future, and have real impact in areas like health, education, public services, and scientific discovery.

We believe this sets us up to continue to make rapid, safe progress and to put great AI in the hands of everyone. Creating AGI is our brick in the path of human progress; we can't wait to see what bricks you will add next.

Sam Altman

Sam Altman
May 2025

2025

Authors

Sam Altman

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EXHIBIT B

6538428

STATE OF CALIFORNIA
Office of the Secretary of State
ARTICLES OF INCORPORATION
CA NONPROFIT CORPORATION
PUBLIC BENEFIT

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 657-5448

For Office Use Only

-FILED-

File No.: 6538428
Date Filed: 1/15/2025

B3353-3438 01/15/2025 12:16 PM Received by California Secretary of State

Corporation Name

Corporation Name	Coalition for AI Nonprofit Integrity

Initial Street Address of Principal Office of Corporation

Principal Address	2350 KERNER BLVD STE 250 SAN RAFAEL, CA 94901

Initial Mailing Address of Corporation

Mailing Address	2350 KERNER BLVD STE 250 SAN RAFAEL, CA 94901
Attention	Joel Aurora

Agent for Service of Process

Agent Name	Joel Aurora
Agent Address	2350 KERNER BLVD STE 250 SAN RAFAEL, CA 94901

Purpose Statement

This corporation is a Nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for: Public purposes

Additional Statements

The specific purpose of this corporation is to advocate for the distribution of the control, ownership, and benefits of artificial general intelligence to all of humanity.

Notwithstanding any of the above statements of purpose and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this corporation.

Additional information and signatures set forth on attached pages, if any, are incorporated herein by reference and made part of these Articles of Incorporation.

Electronic Signature

☒ I declare that I am the person who executed this instrument, which execution is my act and deed.

Joel Aurora — Signature

01/15/2025 — Date

ATTACHMENT:
Additional Statements to
Articles of Incorporation (Tax Exemption Status Section) for
Coalition for AI Nonprofit Integrity

This corporation is organized and operated exclusively for philanthropic social welfare purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code.

The property of this corporation is irrevocably dedicated to philanthropic social welfare purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member thereof, or to the benefit of any private person.

Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated for charitable or social welfare purposes and that has established its tax-exempt status under section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code.

B3353-3439 01/15/2025 12:16 PM Received by California Secretary of State

EXHIBIT C

AB 501 (Papan) Fact Sheet

Coalition for AI Nonprofit Integrity

AB 501: Close the Bait-and-Switch Loophole

AB 501 will hold startup venture capital nonprofits accountable by ending the exploitation of a loophole that allows them to mislead the public under the guise of their altruistic mission and/or purpose with the intent of transferring its valuable property – including intellectual, products, and services – to a single for-profit entity.

What is AB 501

AB 501, authored by Assemblymember Diane Papan, aims to hold startup venture capital nonprofits accountable by maintaining the trust they established with the public, supporters, and contributors for their stated charitable and/or educational purposes, which benefit the greater good of humanity. Specifically, the legislation will close a loophole to prevent any individual, business, or group from creating a startup venture capital nonprofit to exploit the charitable contributions of individuals, including knowledge, resources, and donations. By closing the loophole, startup venture capital nonprofits cannot transfer a substantial amount of their property (exceeding $100 million) to an acquiring for-profit entity as part of a single transaction. Additionally, AB 501 empowers the California Attorney General to take necessary actions to ensure these nonprofits' compliance.

Background

California law allows individuals and organizations to exploit an unintentional loophole. This loophole enables startup venture capital nonprofits to attract top talent and contributors who support their stated altruistic mission, with the secret intention of moving to a for-profit once they have developed substantial marketable products and services.

California's Venture Capital Nonprofit Loophole:

- Provides an unfair advantage to eliminate competition.
- Concentrates a substantial financial advantage in the hands of a few versus those who contributed and supported the nonprofit.
- Weakens public trust in nonprofits when they are not held accountable to their original stated mission.
- Opens the door for more individuals to create startup venture capital nonprofits, exploit the talent and contributions of those who supported their altruistic mission, and secretly transition to a for-profit corporation once they have valuable products and services.
- Allows nonprofits, who secretly intend to convert to a for-profit, to collect personal data from consumers without regulation or oversight from California's consumer privacy regulations.

California's Startup Venture Capital Nonprofit Loophole:

- Provides an unfair advantage to eliminate competition.
- Concentrates a substantial financial advantage in the hands of a few versus those who contributed and supported the nonprofit.
- Weakens public trust in nonprofits to hold them accountable to their original stated mission.
- Opens the door for more individuals to create startup venture capital nonprofits, exploit the talent and contributions of those who supported their altruistic mission, and secretly transition to a for-profit corporation once they have valuable products and services.
- Allows nonprofits, who secretly intend to convert to a for-profit, to collect personal data from consumers without regulation or oversight from California's consumer privacy regulations.

Bait-and-Switch Loophole Example: OpenAI

- OpenAI is a nonprofit organization founded to "build general-purpose artificial intelligence (AI) that safely benefits humanity, unconstrained by a need to generate a financial return."
- With this mission and promise to benefit all humanity, AI researchers and experts worldwide left lucrative tech jobs to help develop and improve OpenAI's artificial intelligence, including artificial general intelligence (AGI). Contributors donated millions of dollars in seed money necessary to create these models. AGI is anticipated to surpass human intelligence and capabilities within one to three years – becoming humanity's most valuable property. The first team to develop AGI will harness the unprecedented speed and power to improve at a rate far beyond what human developers could achieve, leaving everyone else far behind.
- OpenAI is taking advantage of California's bait-and-switch loophole and moving toward transferring its invaluable properties to a for-profit entity, effectively deceiving the public, donors, and researchers. OpenAI must continue to be governed by a board to ensure that its altruistic mission—on which it was founded and which focuses on not taking humanity's most valuable properties and contributions for profit—continues rather than transferring AGI into the hands of a few.
- The value of AGI is nearly impossible to determine, as it is considered humanity's most valuable asset—worth trillions of dollars—which OpenAI lacks and would need to compensate the nonprofit for transferring AGI and AI assets.
- Startup venture capital nonprofits like OpenAI are not subject to California consumer privacy regulations (CCPA). Thus, the personal data of OpenAI's technology users—300 million ChatGPT users—can be collected and sold without CCPA protections.

The Solution

California is at the forefront of protecting the public's trust in startup venture capital nonprofits and their altruistic missions to benefit humanity for the greater good. By safeguarding innovation and the public trust and closing the bait-and-switch loophole, nonprofits are held accountable to their mission without the ability to profit from it or eliminate their competition at the expense of the public, supporters, and donors.

AB 501 will:

- Protect Californians by addressing the supervision and oversight of startup venture capital nonprofit entities headquartered in California.
- Close the bait-and-switch loophole, allowing nonprofits to raise funds, enjoy tax-exempt status, and attract talent committed to an altruistic mission with the secret intention of moving to a for-profit once they have developed marketable products and services.
- Prevent nonprofit entities from transferring a substantial amount (over $100 million) of their property or assets to an acquiring, for-profit entity as part of a single transaction.
- Hold nonprofit entities accountable to the mission they were founded under.
- Give California's Attorney General the power to ensure that startup venture capital nonprofits comply with the law.
- Ensure that the governance of nonprofits, such as OpenAI, remains transparent and accountable to its nonprofit charter, preventing the immense power and profits of AGI from being concentrated into the hands of few.

Support AB 501!

Coalition for AI Nonprofit Integrity

EXHIBIT D

Myth vs. Facts: OpenAI's False Promises

Coalition for AI Nonprofit Integrity

Myth: "We are trying to build a program that is truly smarter than a human in every way, and then figure out how to have that maximally benefit humanity. And that's why we're a non-profit. We don't ever want to be making decisions to benefit shareholders. The only people we want to be accountable to is humanity as a whole and doing this thing right." **(Sam Altman, July 2017)**

Fact: In September 2024, **OpenAI announced** that it would restructure its nonprofit model to a for-profit that would no longer be controlled by its nonprofit board.

Myth: "Even if we go through with some- any of the conversion ideas or evolution ideas we are talking about, it's not like the nonprofit goes away. The nonprofit doesn't stop being a non-profit and becomes a for-profit…And the overall mission of the company that you talk about, which is, develop this incredible technology and do it in a way we think is maximally beneficial to humans and get it out into the world for people. We keep doing that." **(Sam Altman, 2024, The Free Press)**

Fact: OpenAI's charter states, "Our primary fiduciary duty is to humanity. We anticipate needing to marshal substantial resources to fulfill our mission, but will always diligently act to minimize conflicts of interest among our employees and stakeholders that could compromise broad benefit." Through the restructure from nonprofit to for-profit, OpenAI aims to **purchase and take control of the AGI technology that was meant to serve humanity only and not any group of individuals**. made to the nonprofit including, subsidiaries, intellectual property, and assets.

"The Department of Justice is committed to protecting charitable assets for their intended purpose and takes this responsibility seriously."
- Office of Attorney General Rob Bonta

Myth: "We have a mission that is appealing to people, you do feel like you're sort of working on behalf of the world, not on behalf of a single tech company and you're sort of trying to - the thrill of discovery is really exciting…" (Sam Altman, 2020, **StrictlyVC panel**)

Fact: OpenAI used their altruistic mission to attract top talent and contributors from around the world to help develop and improve AI and AGI with little to no financial benefits. Top talent and contributors left for-profit companies to contribute their knowledge, genius, and research to OpenAI and donors contributed hundreds of millions of dollars under the belief that OpenAI would be for humanity. Now that OpenAI has experienced a breakthrough in AGI, it aims to generate revenue from its products and services by taking advantage of a loophole to create a for-profit.

"OpenAI was set up with a big emphasis on safety. Its primary objective was to develop artificial general intelligence and ensure that it was safe… over time, it turned out that Sam Altman was much less concerned with safety than with profits. And I think that's unfortunate."
– Geoffrey Hinton,
"Godfather of AI" and co-awarded the Nobel Prize in Physics

Myth: "We think this technology, the benefits, the access to it, the governance of it, belongs to humanity as a whole. If this really works, it's quite a powerful technology and you should not trust one company and certainly not one person." (**Sam Altman, 2024, Bloomberg Technology**)

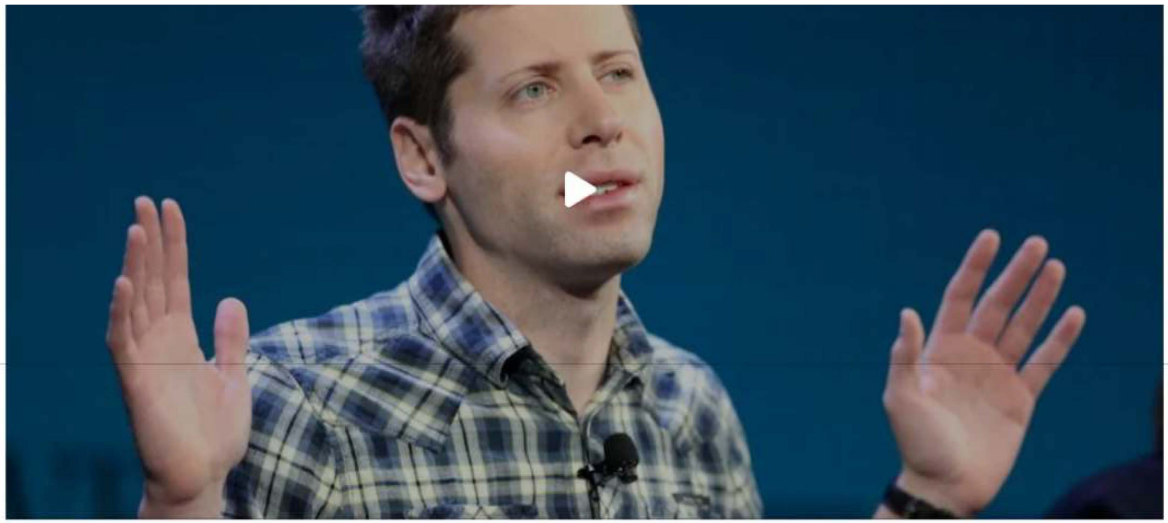
Fact: Due to OpenAI's unexpected success, it is now **one of the most highly valued startups**, as Artificial Intelligence and Artificial General Intelligence continue to improve at rapid rates. OpenAI aims to transition to a for-profit model, taking the charitable property, assets, and contributions that were given to the nonprofit under its original mission that AI and AGI belong to humanity. By transitioning to a for-profit, OpenAI will no longer be held accountable by a Board or need to be transparent about their intentions on the utilization of AGI.

EXHIBIT E

Open Letter in Support of AB 501

AB 501 will close the loophole that allows nonprofits to privatize assets that were dedicated to humanitarian purposes.

Watch This Video



Sign This Open Letter

SHARE:

Members of the California State Legislature,

Nonprofits should fulfill their charitable missions, not generate private wealth. Organizations like OpenAI were established with binding commitments to benefit humanity, not shareholders. California Assembly Bill 501 aims to prevent OpenAI executives from converting a decade-old charitable organization—whose legal mission is to develop Artificial General Intelligence for humanity's collective benefit—into a vehicle for personal enrichment. We strongly support AB 501 to preserve the integrity of nonprofit institutions and ensure they remain accountable to their founding humanitarian purposes.

By exploiting a loophole in California's nonprofit laws, OpenAI is shifting from its original purpose of developing AGI for the benefit of humanity, thereby breaching their fiduciary duty to humanity and to all those who trusted in OpenAI's original charter.

If OpenAI succeeds in wresting this technology from humanity and placing it under investor control, it will mark one of the greatest acts

of expropriation in human history.

We urge you to join us in support of AB 501.

Post-script 4/7/2025:

We are disappointed that our bill author changed the bill language from preventing non-profit abuse to aircraft liens. We are shocked.

Please sign the open letter in support of our original non-profit abuse bill so we could stop the abuse and bring this bill to a vote.

Signatories:

Yann LeCun
Professor, New York University

Stuart Russell
Professor of Computer Science, University of California, Berkeley

Lawrence Lessig
Professor, Harvard Law School

Gary Marcus
Professor Emeritus, NYU
Extra Statement

Remmelt Ellen
Research Coordinator, AI Safety Camp
Extra Statement

Erik Passoja
Co-chair AI Ethics, SAG
Extra Statement

Family of Suchir Balaji
OpenAI Whistleblower, Departed
Extra Statement

Hal Daumé III
Professor, University of Maryland

Andrew Barto
Professor Emeritus, Universithy of Massachusetts Amherst

Tyler Johnston
Executive Director, The Midas Project

Ariel Bronner
PhD Student, Princeton

Existential Risk Observatory
Organization

Heather-Ashley Boyer
Actor and AI Policy Advisor

Karen A. Brown
SAG-AFTRA L.A. GAPP Committee, StardustBlue Media

Charbel-Raphaël Segerie
Executive Director, Centre pour la Sécurité de l'IA (CeSIA)

James Croak
Westworld
Extra Statement

Derek Allen
Activist, Stop AI

Center for Existential Safety
Organization

Michelle Hurd
Actor, Netflix

Gretchen Krueger
Fellow, Berkman Klein Center for Internet & Society, Gretchen Krueger

Iñigo Parra
PhD Student, University of California, Berkeley

NYU
Organization

Karl Koch
Founder, OAISIS/Third Opinion - Supporting Concerned Insiders in AI

Amir Soltani
AI Researcher

Jacobo Elosua
Founder, Iris.ai

Honna Gowri Manjunath
Engineer, Arista

Alexander Davis
Software Engineer, AMD

James Norris
Founder & Executive Director, Center for Existential Safety

Michael Cohen
Postdoctoral fellow, UC Berkeley

Bogdan-Ionut Cirstea
Independent AI safety researcher, Independent

Avinash Rajput
Founder, SSS Foundation

PauseAI
Organization

Sreejith Sreedharan
Author, Careforcom Advisory
Extra Statement

Woody Schultz
Actor/Producer, SAG-AFTRA

Stacey Petrasek
Retired postal carrier, USPS
Extra Statement

Don Comrie
Model Builder, Neurolabs, Inc

Florent Berthet
Director of Operations, Centre pour le Sécurité de l'IA

Vlad Ciobanu
Software developer, Wittmann
Extra Statement

Eric Ellsworth
Data Scientist, Personal
Extra Statement

Kendall Davis
Microfabrication Engineer, University of Southern California

SNIGDHA SARKAR
Creative Writer, Rupa Publications
Extra Statement

savitha elam kootil
Physician, Kaiser Permanente

Jessica Inglewood
Teacher, Russell Elementary

Gary Randall
PhD Cog Sci, BMT UK

Jeroen Franse
AI Governance Advisor, ABN AMRO Bank

Anu Mehrotra
Director Software Development, Sage Inc.

Nick Tarleton
CTO, HealthcareAgents

Chuck Walrad
retired software engineer, IEEE
Extra Statement

Indah Harahap
Member, OAISIS - Third Opinion / Supporting Concerned Insiders in AI

Stacey Travis
Actor, None

Aníbal M. Astobiz
EMERGIA Research Fellow, University of Granada

Katia Ricciarelli V. Reed
Multi Artist / Hybrid Artist, VSeeN USA

Tristan Roberts
Researcher, Research Collective

Sam Mitchell
Analyst, OECD

Girish Bangalore
Homes By Girish

Laura Smith
Librarian, Santa Fe Community College

Geeta Sikand
Retired, Retired

Kay Kozaronek
Product Manager, PRISM Eval

HSCT Publishing, LLC
Organization

Anne Mulder
Global, Broek, Jacobs and Bakker

Degen Tekle
Student, University of Geneva
Extra Statement

Michael Brendel
Journalist, Spaehgypeten

Tashinga Mtoko
Software Developer

Ruben Bouwmeester
Innovation Manager, na

Avi Glozman
Software Engineer, Mercury
Extra Statement

Siva Yarlagadda
SW ENg, ZSCALER

Deepayan Das
Phd Student, University of Trento

Subha Tammana
Law

Abhishek Das
Tech consultant

Gabriel Sherman
Sustainability Coordinator, USANA
Extra Statement

Preethi Viswanathan
preethi viswanathan

Maceo Bishop
Cinematographer, Long Shot Inc.

Govind Rajan
Engineer

Edgar Vea
Student., None.
Extra Statement

Frances Fisher
A tress

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Individual | Organization

Full Name *

Email *

Profession or Occupation *

Company or Organization *

Extra Statement (Optional)

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EXHIBIT F

POLITICO Technology: California Decoded Preview

Available free through April 25, POLITICO Pro's Technology California Decoded newsletter will explore how the Golden State is defining tech policy within its borders and beyond.

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California is nudged into the ring between Musk and Altman

By CHASE DIFELICIANTONIO, TYLER KATZENBERGER and CHRISTINE MUI | 04/10/2025 08:00 AM EDT

Presented by Omidyar Network

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ABOUT THE AUTHOR

Chase DiFeliciantonio is an AI and automation reporter for POLITICO based in San Francisco. He covers how California is grappling with regulating a powerful new homegrown technology as it rapidly evolves in the state capital's backyard.

Chase has over a decade of experience spanning business, tech and immigration reporting. He joined POLITICO in 2025 after covering tech and AI for the San Francisco Chronicle as well as his home city's economic recovery from the pandemic.

In his current role, Chase covers California's role in setting landmark standards for AI safety, deepfake imagery and driverless vehicles, with Sacramento often seeking to make the first move nationwide.

California Attorney General Rob Bonta. | Damian Dovarganes/AP

QUICK FIX

— Rob Bonta faces pressure to wade into the Musk-OpenAI fight.
— A bill on AI (and OpenAI) is now about *checks notes* airplanes.
— A first look at Waymo's latest moves through San Francisco.

Welcome to California Decoded! Tariffs on, tariffs off? "The Art of the Deal" says keep 'em guessing. We'd never leave you hanging like that. Send feedback, tips and story ideas to californiadecoded@politico.com.

DRIVING THE DAY

ANALYSIS: FRIENDS LIKE THESE — California Attorney General **Rob Bonta** is facing growing pressure from major nonprofits to take action against OpenAI — a move that could potentially place him in an awkward alliance with **Elon Musk**.

The pressure campaign comes as Musk's rivalry with former business partner **Sam Altman** is heating up in court over OpenAI's plan to become a for-profit company. Should Bonta's attorneys shoulder into the legal dispute, they could find themselves on the same side as estranged early OpenAI funder Musk, who has taken the Delaware-incorporated company to court to block its conversion. OpenAI countersued the billionaire in federal court Wednesday.

Musk and Bonta would make even stranger bedfellows, as the AG has increasingly become the face of California's Trump resistance, suing the administration over the Musk-led DOGE effort to fire thousands of federal workers and choke off federal funding to California and other states, and as Bonta defends the state's social media laws against Musk's legal challenges.

What's new: A coalition of nonprofit leaders sent a letter to Bonta's office on Wednesday, including from the San Francisco Foundation and Economic Security Project, as well as labor groups, calling on the AG to "take action to transfer OpenAI's charitable assets to a truly independent nonprofit or nonprofits."

"This isn't about trying to stop the conversion of nonprofit to for-profit," **Fred Blackwell**, the CEO of the San Francisco Foundation, told California Decoded. "It's really purely about making sure the assets that were accumulated for the public good stay that way."

It's been done before: The group points to the state attorney general's office intervening in the 1990s when nonprofit health companies like The California Wellness Foundation (a petition signatory) were established through a transfer of charitable assets. "Similarly, it is imperative that the Attorney General demand the distribution of OpenAI, Inc.'s charitable assets to independent nonprofit entities that will use these assets for public benefit," the petition said.

Blackwell's group sent a letter to Bonta's office in January to that effect before filing the longer detailed petition, where they characterize potentially the entirety of OpenAI's latest $300 billion valuation as charitable assets.

"Our Board has been very clear that we intend to strengthen the non-profit so that it can deliver on its mission for the long term. We're not selling it, we're doubling down on its work," an OpenAI spokesperson said in a statement.

The company previously told Decoded it plans to make its nonprofit parent company a shareholder in the new for-profit enterprise, and to appoint a committee to oversee and distribute the assets that flow into it.

OpenAI met with the petitioners before they filed their petition Wednesday and offered to have their respective legal teams meet, according to an email seen by

A fifth-generation San Franciscan, Chase graduated from Loyola University Chicago with a double major in journalism and history.

ABOUT THE AUTHOR

Tyler Katzenberger is a Sacramento technology reporter for POLITICO. He covers how policy fights in California's statehouse shape both the local and national tech landscape.

Tyler joined POLITICO full-time in 2025 after a six-month internship with the California bureau, during which he covered the 2024 elections and broke an exclusive story on a landmark deal between Google and state lawmakers aimed at funding local newsrooms.

He has covered state government and politics in Wisconsin and California since 2020.

In his current role, Tyler covers California's international influence on social media regulations, data privacy rules, artificial intelligence safety and other policies that govern cutting-edge technologies. He reports extensively on the lawmakers, industry power players and interest groups fighting to shape the state's digital future.

A Central Wisconsin native, he graduated from the University of Wisconsin with a double major in journalism and political science. He was previously a state politics and misinformation fellow at the Milwaukee Journal Sentinel.

ABOUT THE AUTHOR

Christine is the Silicon Valley reporter, part of POLITICO's California tech expansion.

Before heading West, Christine reported from POLITICO's Washington headquarters on federal tech policy and the U.S.-China competition in emerging technologies like semiconductors. She regularly authored the Digital Future Daily newsletter.

Her coverage of the CHIPS and Science

Decoded, and a person with knowledge of the situation who was not authorized to discuss it publicly.

Keeping his distance: Bonta's office said in an emailed statement that the California "Department of Justice is committed to protecting charitable assets for their intended purpose."

As we've previously reported, his office is probing OpenAI's shift to a for-profit model. Bonta's office declined to comment on any ongoing investigations, but referenced its letter to OpenAI requesting restructuring plans and the value of its charitable assets.

Counterpunch: OpenAI countersued Musk in California court on Wednesday, directly disputing his claims and accusing him of intentionally trying to hamstring OpenAI as he builds his own competitor, xAI.

The Delaware attorney general's office has said it is in conversation with OpenAI and is reviewing the transaction.

Musk's attorneys have tried to bring Bonta into the case he filed against OpenAI on similar public interest grounds, but so far the attorney general has declined, said **Rose Chan Loui**, a nonprofit law expert at UCLA.

Bonta "is trying to get out of the federal case mostly on the argument that they can't be dragged into federal court," she said. But "Elon Musk has filed a brief saying that we're not dragging you in as a defendant, we're dragging you as a matter that concerns you."

At stake here also is not just the open question of how much of the company's $300 billion valuation should be conserved as nonprofit assets, Loui said. The company in raising its latest $40 billion funding round agreed to return half that amount if it does not make the change to a for-profit this year.

A message from Omidyar Network:
California's approach to responsible AI governance is a model for the nation. Home to some of the world's largest tech companies, the state has witnessed the transformative potential of innovation and the dangers of unchecked dominance. Beyond encouraging fairness and opportunity for new ventures, California's leaders recognize we must reimagine corporate governance, ensure workers have a meaningful voice, and support inclusive technology policies. If the Golden State can safely drive innovation, everyone else can too.

ARTIFICIAL INTELLIGENCE

BILL WATCH: FROM AI TO ... AIRPLANES — Meanwhile, Assemblymember **Diane Papan** previously made news for carrying a bill that seemed to be an attempt at gumming up the works of OpenAI's transitions away from nonprofit status. But that measure is now replete with red ink, and suddenly focused on liens on the sale of airplanes.

Papan spokesperson **David Burruto** said in a statement: "In the process of developing the legislation and doing the due diligence it was determined that due to the complexity of the policy, additional time and resources to vet it and gather input were necessary. In response, it was determined that the legislation be paused for the time being."

A recently established nonprofit, the Coalition For AI Nonprofit Integrity, slammed the lawmaker's decision to suddenly pull out of the issue in a statement this week after Papan heavily amended the bill.

"California is at a critical moment with trillions of dollars and humanity's future at

Act was part of a series awarded an Honorable Mention for the 2025 Toner Prize for Excellence in National Political Reporting.

Christine now covers the California tech industry and its influence on state as well as federal policy, including how key players are jockeying for greater roles in setting standards on the global stage. She is based in San Francisco.

Christine joined POLITICO as a fellow in 2023. She's a graduate of Harvard University and a proud Chicago native.

POLITICO TECHNOLOGY: CALIFORNIA DECODED PREVIEW - POLITICO ARCHIVE

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Thursday, 4/24/25

Wednesday, 4/23/25

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Monday, 4/21/25

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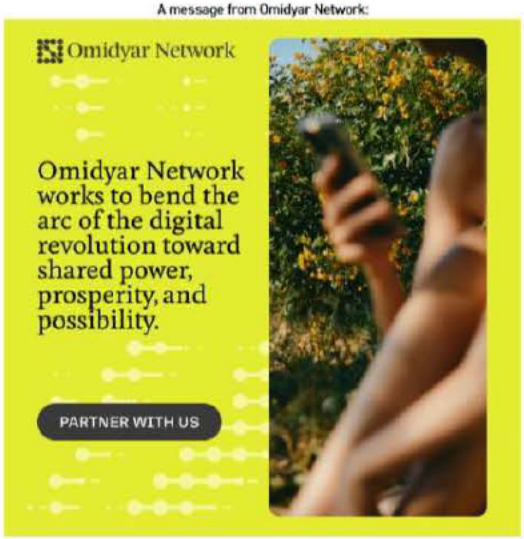
stake as OpenAI's petition is currently pending before the Attorney General, coalition spokesperson **Janet Fernandez** said in a statement. "We urge the Legislature to engage in this decision to safeguard nonprofit integrity and the interests of all Californians."

The bill, AB 501 previously would have prohibited "a startup venture capital nonprofit" from transferring assets in excess of $100 million in an acquisition as part of a single transaction.

It's not clear who is behind the Coalition For AI Nonprofit Integrity. State filings show **Joel Aurora**, a partner in the firm of Nielsen Merksamer Parrinello Gross & Leoni in San Rafael, as its agent.

Aurora did not respond to an emailed request for comment. Fernandez, the spokesperson, reached out with a statement instead.

A message from Omidyar Network:


Omidyar Network
Omidyar Network works to bend the arc of the digital revolution toward shared power, prosperity, and possibility.
PARTNER WITH US

IN THE COURTS

LAWSUIT: HAT TRICK — Back in the legal world, Bonta is "aware" of the latest tech group lawsuit against the state and looking "forward to defending California's laws in court," spokesperson **Elissa Perez** told us, after NetChoice filed its third challenge in four years on Wednesday.

NetChoice, which represents companies like Amazon, eBay and Meta, is suing over a 2024 state law designed to prevent stolen goods from being sold online.

The latest lawsuit, filed in the U.S. Northern District Court of California, asks a federal judge to block former state Sen. **Nancy Skinner**'s SB 1144, arguing it violates existing federal rules and the First Amendment.

"This law won't stop organized retail crime—it will only further inhibit entrepreneurs from growing their businesses in California," **Paul Taske**, NetChoice's associate director of litigation, said in a statement.

POLITICO Pro subscribers can read a full breakdown of the case here.

AUTONOMOUS VEHICLES

FIRST IN DECODED: A NEW WAY FOR WAYMO — San Francisco Mayor **Daniel Lurie** is set to announce today that Waymo will begin mapping Market Street, the city's main thoroughfare, with human specialist drivers in plans first

Street, the city's main thoroughfare, with human specialist drivers in plans first shared with California Decoded. The busy artery of the City by the Bay cuts through downtown — which as we've reported Lurie is seeking to enliven in part through tech businesses — to the scenic vistas of Twin Peaks.

It's the robotaxi company's latest move to build up operations in and around the city after recently securing a deal with SFO airport to begin mapping at the Bay Area's largest travel hub.

"Market Street runs through the heart of our city, and we're making sure it continues to evolve with the times," Lurie said in a statement. "This is about revitalizing downtown and making it easier for everyone, locals and visitors alike, to enjoy everything our city has to offer."

Mapping is the first step toward the robotaxis operating on Market with fully autonomous service expected to launch as early as this summer.

"We're honored that Mayor Lurie has invited us to serve as a mobility option on San Francisco's historic Market Street," said co-CEO of Waymo **Tekedra Mawakana**.

A message from Omidyar Network:
The AI revolution is fundamentally changing who holds power, who prospers, and what possibilities we prioritize as a society. As an investor, Omidyar Network makes bold bets on disruptive ventures and also supports unconventional tech leaders helping to ensure that AI results in shared power, prosperity, and possibility.

California is home to some of the world's brightest AI experts, but many of them aren't employed by technology companies. Leaders within government, nonprofits, universities, and community organizations are helping form a new collective conscience on technology issues and building alternative futures. Families, faith leaders, veterans, artists, and working Americans are bringing nuanced perspectives on what technology can make possible when guided well and caution on choices that undermine our collective well-being. We must all take an active role in ensuring digital tech evolves to benefit everyone.

IN THE SCHOOLS

BILL WATCH II: HOT AND COLD — Two lawmakers trying to tweak California's school cell phone restrictions learned a lesson in the Assembly Education Committee yesterday: Listen to the school districts.

Who aced the lesson: Assemblymember **Josh Hoover**, who authored last year's bill clamping down on student phone use in hopes of improving kids' mental health and attention span. The Folsom Republican's bill, AB 962, breezed through the committee and pleased school administrators by promising to give districts more flexibility to dictate device policies during emergencies.

The change addresses a key criticism school officials levied against last year's phone law: that it didn't give districts enough latitude to draw up safety plans for shootings and bomb threats.

Dorothy Johnson, a legislative advocate for the Association of California School Administrators, told Decoded that restricting cell phone access in life-threatening situations can streamline communication with first responders and prevent students from potentially spreading rumors or misinformation.

"That's why this bill is so important," Johnson said. "We want schools to have the flexibility they need."

Who lost points: Assemblymember **Joaquin Arambula**, who was forced to water down his bid to further dictate school cell phone policies.

Arambula's original measure would have required districts to set either (a) an all-day phone ban; or (b) a schedule-based ban that lets kids use phones during breaks or lunch periods. Here's the catch: the same policy would have applied to all grade levels.

That didn't sit well with school officials, some of whom have opted for full bans in elementary schools but set schedule-based phone restrictions for high schoolers. So, to clear committee and placate opposition, Arambula revised his AB 235 from a mandate to a suggestion. His bill passed the committee Wednesday evening.

BYTE SIZED

— Bonta is joining 51 AG pile-on against companies accused of transmitting illegal robocalls.

— The Trump administration dropped Nvidia chip control plans following CEO **Jensen Huang**'s dinner at Mar-a-Lago. (NPR)

— Brussels' historic AI law is open for edits as U.S. pressure and industry pushback mount. (POLITICO Europe)

— Tech stocks are rallying as Trump hits pause on reciprocal tariffs for 90 days for most countries. (CNBC)

Have a tip, event or thoughts on where you'd locate a stateless tech utopia? Do reach out: Emma Anderson, California tech editor; Chase DiFeliciantonio, AI and automation reporter; Tyler Katzenberger, Sacramento tech reporter; and Christine Mui, Silicon Valley reporter.

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SPOTLIGHT

From AI to airplanes, bill regulating OpenAI gutted

By Troy Wolverton | Examiner staff writer | Apr 8, 2025 Updated Apr 9, 2025

PREV

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LOCAL EVENTS

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Book Signings

MANOR OF DREAMS

CHRISTINA LI

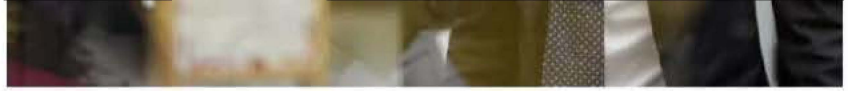
Christina Li with Betty Shamieh - The Manor of Dreams

Book Passage

5:30PM

D-backs vs. Giants Highlights

CHRISTIAN KOSS



Sam Altman, CEO of OpenAI, at Station F, during an event on the sidelines of the Artificial Intelligence Action Summit in Paris, Tuesday, Feb. 11, 2025.

Aurelien Morissard/Associated Press

OpenAI is under the gun to transform from a nonprofit to a for-profit by the end of the year. The author of a state bill that would have barred that move quietly withdrew it last week.

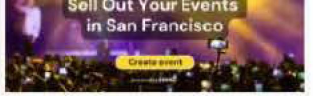
Last week, California Assemblymember Diane Papan stripped from Assembly Bill 501 text that would have applied to OpenAI. Papan, who represents much of western San Mateo County, replaced it with new language regarding a completely different subject — notification requirements that those who hold liens on aircraft must adhere to in order to sell the vehicles.

David Burruto, Papan's district director, told The Examiner that the assemblymember gutted and replaced the bill after other nonprofits, legal scholars and other people raised concerns that it might affect other organizations beyond OpenAI. Papan felt the issue needed to be studied further, Burruto said.

"We determined that due to its complexity, we needed more time and resources to vet it," Burruto said. "We needed to take a pause."

Assembly member Diane Papan, D-San Mateo, speaks on a bill before the Assembly at the Capitol in Sacramento, Calif., Thursday, June 1, 2023.

Rich Pedroncelli/Associated Press



The Kitchen Sink - Live at Music City SF | Disco, Cumbia and More

1355 Bush St 8:30PM

MORE EVENTS

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FORUM

Papan submitted the rewritten bill to the Assembly on Thursday. That was just three days after San Francisco-based OpenAI announced it was raising $40 billion in a funding round led by Japanese conglomerate SoftBank. Some $20 billion of that total is contingent on OpenAI transforming itself into a for-profit corporation by early next year.

Although Papan has had conversations with representatives of the artificial-intelligence giant recently, those conversations were about two other bills related to data centers and not specifically about AB 501, Burruto said.

OpenAI representatives did not respond to a request for comment about the bill.

The Coalition for AI Nonprofit Integrity, a newly formed nonprofit that organized an open letter in favor of the legislation signed by several AI luminaries, expressed disappointment with Papan's move.

"California is at a critical moment with trillions of dollars and humanity's future at stake," coalition spokeswoman Janet Fernandez said in a statement.

"We urge the Legislature to engage in this decision to safeguard nonprofit integrity and the interests of all Californians," she said.

OpenAI's organizational structure has been a source of tension for years. In 2015, when CEO Sam Altman founded it, he structured it as a nonprofit, with the intention of having OpenAI serve as a research lab for advancing AI. But in 2019, with the costs of AI development increasing, OpenAI formed a for-profit subsidiary that allowed it to raise substantial capital from outside investors.

That for-profit subsidiary remained under the auspices of the nonprofit entity, however. In late 2023, the board of the nonprofit ousted Altman, charging him with not being candid with board members. Days later, Altman returned as CEO and shook up the board.

Since then, Altman has been pushing to separate the for-profit entity from the nonprofit, The Information reported in December. That same month, OpenAI made that intent public, saying in a blog post it planned to turn its for-profit arm into a separate public-benefit corporation and give shares in that company to the nonprofit. A public-benefit company is a for-profit business that promises to be operated in a way that benefits society by doing more than just generating profits.

Guests including Mark Zuckerberg, Jeff Bezos, Sundar Pichai and Elon Musk, arrive before the 60th Presidential Inauguration in the Rotunda of the U.S. Capitol in Washington, Monday, Jan. 20, 2025. Zuckerberg's Meta and Musk have sought to stop OpenAI's transition to a for-profit company.

Julia Demaree Nikhinson

OpenAI has faced pushback since even before it announced the move. A year ago, Elon Musk — the

owner of xAI, another public-benefit corporation in the AI field — sued OpenAI and Altman accusing them of breach of contract for allegedly prioritizing profits over the public good.

EX // TOP STORIES

Time capsule buried in Transamerica Pyramid spills secrets

"The building belongs to the people of San Francisco, and this time capsule, like the building, belongs to the people of San Francisco," said Michael Shvo

Supes carve redevelopment path for long-decaying west-side theater

The Alexandria Theater may be set for a rebirth, under a measure that aims to streamline a new housing development at the site

This wonkish housing proposal could reshape SF

Density decontrol, otherwise known as form-based zoning, will likely be increasingly prominent in housing debates. Here's why.

Public Citizen, a public-interest group, urged Attorney General Rob Bonta in September to protect the interests of the nonprofit and the public as a whole by requiring the for-profit entity to value the nonprofit's stake in it at $50 billion or higher. It also pushed Bonta to require OpenAI to either transfer to the state of California or provide the state free access to artificial general-intelligence technology whenever OpenAI creates it.

And in December, before OpenAI's blog post, Meta exhorted Bonta to reject the organization's transformation into a for-profit. Earlier that month, the Attorney General's Office, which had already held informal discussions with OpenAI about the move, opened up an inquiry into it,

according to CalMatters.

Papan introduced AB 501 in February. The bill would have prohibited certain "startup venture capital nonprofits" from being acquired by for-profit entities — even if in small chunks — or converting into for-profit corporations.

Although the bill didn't name OpenAI, the terms within it and the organization backing it made clear that AB 501 was targeting the San Francisco AI giant. Among other things, the bill would have applied to nonprofits at which at least one of the following was true:

• The nonprofit had combined revenues of at least $100 million in a five-year period.

• The nonprofit controlled a for-profit entity that had either attracted $1 billion in outside funding or for which another for-profit company had gained a stake.

• Current or former employees, executives or directors of the nonprofit had been promised a stake in the for-profit entity.

• In the space of 12 months sometime within a 10-year period, a majority of the directors on the organization's board had resigned, were fired or had otherwise left.

All those things are reportedly true about OpenAI.

Burrato held out the possibility that Papan might reintroduce the legislation after studying the issue further.

"As we move forward with our due diligence and trying to get our hands around it, that will dictate what happens," he said.

The Coalition for AI Nonprofit Integrity was formed in January by Jeffrey Mark Gardner, according to records filed with the California Secretary of State's Office. It's unclear who is behind the nonprofit, which hired San Rafael law firm Nielsen Merksamer Parrinello Gross & Leoni to lobby the legislature, the attorney general's office and the governor about AB 501 on its behalf.

Earlier this year, the coalition gathered signatures for its open letter in support of the bill. Among those who signed were prominent AI skeptic Gary Marcus, Meta Chief AI Scientist Yann Lecun, the family of OpenAI whistleblower Suchir Balaji, and UC Berkeley AI researcher Stuart Russell.

If you have a tip about tech, startups or the venture industry, contact Troy Wolverton at twolverton@sfexaminer.com or via text or Signal at 415.515.5594.

Tags Openai | California Assembly | Ab 501 | Startups | Venture Capital | Softbank

Troy Wolverton

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THE LATEST

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UPDATED 59 MINS AGO

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EXHIBIT G

Lobbying Firm Activity Authorization

(Government Code Section 86104)

Check one box, if applicable

☑ **Lobbyist Employer**
(Gov. Code Section 82039.5)

☐ **Lobbying Coalition**
(FPPC Regulation 18616.4)

Type or Print in ink

Legislative Session

2025 2026
(Insert Years)

CALIFORNIA FORM **602**
FAIR POLITICAL PRACTICES COMM.
For Official Use Only

NAME OF FILER:
COALITION FOR AI NONPROFIT INTEGRITY

EFFECTIVE DATE:
01/17/2025

TELEPHONE NUMBER:

FAX NUMBER: (Optional)

E-MAIL: (Optional)
calobby@nmgovlaw.com

BUSINESS ADDRESS: (Number and Street)	(City)	(State)	(Zip Code)
	SAN RAFAEL	CA	94901

MAILING ADDRESS: (If different than above.)

I hereby authorize NIELSEN MERKSAMER PARRINELLO GROSS & LE - ONI,LLP
(Name of Lobbying Firm)

SACRAMENTO CA 95814
(Business Address)

to engage in the activities of a lobbying firm (as defined in California Government Code Section 82038.5 and 2 Cal. Code of Regs. Section 18238.5) on behalf of the above named employer.

If you are authorizing another lobbying firm to lobby on behalf of your firm's client(s), provide the name(s) of the client(s) below. (It is not necessary to complete the Nature and Interests section.)

Please see attached pages

VERIFICATION

I have used all reasonable diligence in preparing this Statement. I have reviewed this Statement and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 01/17/2025
DATE

By JEFFREY MARK GARDNER
SIGNATURE OF RESPONSIBLE OFFICER

Name of Responsible Officer JEFFREY MARK GARDNER
PRINT OR TYPE

Title PRESIDENT

Lobbying Firm Activity Authorization

CALIFORNIA FORM **602**

FAIR POLITICAL PRACTICES COMM.

SEE INSTRUCTIONS ON REVERSE **Type or Print in ink**

NAME OF FILER:

COALITION FOR AI NONPROFIT INTEGRITY

2/2

Nature and Interests of Lobbyist Employer

Check one box only:

- ☐ INDIVIDUAL (Complete only Parts A and E)
- ☐ BUSINESS ENTITY (Complete only Parts B and E)
- ☐ INDUSTRY, TRADE OR PROFESSIONAL ASSN. (Complete only Parts C and E)
- ☒ OTHER (e.g., lobbying coalition) (Complete only Parts D and E)

A. Individual

1. Name and address of employer (or principal place of business if self-employed):

2. Description of business activity in which you or your employer are engaged:

B. Business Entity

Description of business activity in which engaged:

C. Industry, Trade or Professional Association

1. Description of industry, trade, or profession represented:

2. Specific description of any portion or faction of the industry, trade, or profession which the association exclusively or primarily represents:

3. Number of members in association (check appropriate box)

- ☐ 50 OR LESS (provide names of all members on an attachment.)
- ☐ MORE THAN 50

D. Other

1. Statement of nature and purposes:

NON-PROFIT ORGANIZATION

2. Description of any trade, profession, or other group with a common economic interest which is principally represented or from which membership or financial support is principally derived:

E. Industry Group Classification

Check one box which most accurately describes the industry group which you represent. See instructions on reverse.

- ☐ AGRICULTURE
- ☐ EDUCATION
- ☐ GOVERNMENT
- ☐ HEALTH
- ☐ LABOR UNIONS
- ☐ LEGAL
- ☐ PUBLIC EMPLOYEES
- ☐ POLITICAL ORGANIZATIONS
- ☐ UTILITIES
- ☐ OTHER:_____ (Describe in detail)

BUSINESS (Check one of the following sub-categories.)

- ☐ ENTERTAINMENT/RECREATION
- ☐ FINANCE/INSURANCE
- ☐ LODGING/RESTAURANTS
- ☐ MANUFACTURING/INDUSTRIAL
- ☐ MERCHANDISE/RETAIL
- ☐ OIL AND GAS
- ☐ PROFESSIONAL/TRADE
- ☐ REAL ESTATE
- ☐ TRANSPORTATION
- ☒ OTHER: NON-PROFIT (Specific Description)

EXHIBIT H

☒ **REPORT OF LOBBYIST EMPLOYER**

(Government Code Section 86116)

or

☐ **REPORT OF LOBBYING COALITION**

(2 Cal. Code of Regs. Section 18616.4)

FORM 635
1993

IMPORTANT: Lobbying Coalitions must attach a completed Form 635-C to this Report.

REPORT COVERS PERIOD FROM 01/01/2025 **THROUGH** 03/31/2025

CUMULATIVE PERIOD BEGINNING 01/01/2025

TYPE OR PRINT IN INK

For information required to be provided to you pursuant to the Information Practices Act of 1977, see Information Manual on Lobbying Disclosure Provisions of the Political Reform Act.

FOR OFFICIAL USE ONLY

A

B

NAME OF FILER:

COALITION FOR AI NONPROFIT INTEGRITY

BUSINESS ADDRESS: (Number and Street)	(City)	(State)	(Zip Code)	TELEPHONE NUMBER:
	SAN RAFAEL	CA	94901	

PART I - LEGISLATIVE OR STATE AGENCY ADMINISTRATIVE ACTIONS ACTIVELY LOBBIED DURING THE PERIOD
(See instructions on reverse.)

AB 501

☐ If more space is needed, check box and attach continuation sheets.

SUMMARY OF PAYMENTS THIS PERIOD

A. Total Payments to In-House Employee Lobbyists (Part III, Section A, Column 1)	$	0.00
B. Total Payments to Lobbying Firms (Part III, Section B, Column 4)	$	0.00
C. Total Activity Expenses (Part III, Section C)	$	0.00
D. Total Other Payments to Influence (Part III, Section D)	$	0.00
GRAND TOTAL (A + B + C + D above)	$	0.00
E. Total Payments in Connection with PUC Activities (Part III, Section E)	$	0.00

F. Campaign Contributions: ☐ Part IV completed and attached ☒ No campaign contributions made this period

VERIFICATION

I have used all reasonable diligence in preparing this Report. I have reviewed the Report and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (Date)	At (City and State)	By (Signature of Employer or Responsible Officer)
04/30/2025	San Rafael,CA	KIRA M. SIMON

Name of Employer or Responsible Officer (Type or Print)	Title
KIRA M. SIMON	ATTORNEY & AGENT FOR FILER

PERIOD COVERED: 01/01/2025 03/31/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

PART II - PARTNERS, OWNERS, AND EMPLOYEES WHOSE "LOBBYIST REPORTS" (FORM 615) ARE ATTACHED TO THIS REPORT (See instructions on reverse.)

Name and Title	Name and Title

☐ If more space is needed, check box and attach continuation sheets.

PART III - PAYMENTS MADE IN CONNECTION WITH LOBBYING ACTIVITIES

A. PAYMENTS TO IN-HOUSE EMPLOYEE LOBBYISTS
(See instructions on reverse. Also enter the Amount This Period (Column 1) on Line A of the Summary of Payments section on page 1.)

(1) Amount This Period	(2) Cumulative Total To Date
$ 0.00	$ 0.00

B. PAYMENTS TO LOBBYING FIRMS (Including Individual Contract Lobbyists)

Name and Address of Lobbying Firm/Independent Contractor	(1) Fees & Retainers	(2) Reimbursements of Expenses	(3) Advances or Other Payments (attach explanation)	(4) Total This Period	(5) Cumulative Total to Date
NIELSEN MERKSAMER PARRINELLO GROSS & LEONI LLP SACRAMENTO, CA 95814	0.00	0.00	0.00	0.00	0.00

☐ If more space is needed, check box and attach continuation sheets

TOTAL THIS PERIOD (Column 4)
Also enter the total of Column 4 on Line B of the Summary of Payments section on page 1.

$ 0.00

PERIOD COVERED: 01/01/2025 03/31/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

C. ACTIVITY EXPENSES (See instructions on reverse.)

Date	Name and Address of Payee	Name and Official Position of Reportable Persons and Amount Benefiting Each		Description of Consideration	Total Amount of Activity
			$		$

☐ If more space is needed, check box and attach continuation sheets.

TOTAL SECTION C (Activity Expenses) Also enter the total of Section C on Line C of the Summary of Payments section on page 1. $ 0.00

D. OTHER PAYMENTS TO INFLUENCE LEGISLATIVE OR ADMINISTRATIVE ACTION

☐ NOTE: State and local government agencies do not complete this section. Check box and complete Attachment Form 640 instead.

1. PAYMENTS TO LOBBYING COALITIONS (NOTE: You must attach a completed Form 630 to this Report.) $ 0.00

2. OTHER PAYMENTS $ 0.00

TOTAL SECTION D (1 + 2) Also enter the total of Section D on Line D of the Summary of Payments section on page 1. $ 0.00

E. PAYMENTS IN CONNECTION WITH ADMINISTRATIVE TESTIMONY IN RATEMAKING PROCEEDINGS BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION

Also, enter the total of Section E on Line E of the Summary of Payments section on page 1. (See instructions on reverse.) $ 0.00

PERIOD COVERED: 01/01/2025 03/31/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

PART IV -- CAMPAIGN CONTRIBUTIONS MADE (Monetary and non-monetary campaign contributions of $100 or more made to or on behalf of state candidates, elected state officers and any of their controlled committees, or committees supporting such candidates or officers must be reported in A or B below.)

A. If the contributions made by you during the period covered by this report, or by a committee you sponsor, are contained in a campaign disclosure statement which is on file with the Secretary of State, report the name of the committee and its identification number, if any, below.

Name of Major Donor or Recipient Committee Which Has Filed A Campaign Disclosure Statement:

Identification Number if Recipient Committee: _____

B. Contributions of $100 or more which have not been reported on a campaign disclosure statement, including contributions made by an organization's sponsored committee, must be itemized below.

Date	Name of Recipient	I.D. Number if Committee	Amount
			$
			$
			$
			$
			$
			$
			$
			$
			$
			$

☐ If more space is needed, check box and attach continuation sheets.

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

EXHIBIT I

Ann O'Leary
Tel +1 415 293 5942
AOLeary@jenner.com

April 29, 2025

Sent via email and certified mail

Mr. Joel Aurora
Nielsen Merksamer Parrinello Gross & Leoni, LLP
2350 Kerner Boulevard
Suite 250
San Rafael, CA 94901
Email: jaurora@nmgovlaw.com

Re: Meeting Request Regarding OpenAI and the Coalition for AI Nonprofit Integrity

Dear Mr. Aurora:

We understand from press coverage and regulatory filings that you represent the Coalition for AI Nonprofit Integrity. In both public communications and legal filings associated with your client, we have observed a number of significant inaccuracies and misunderstandings regarding OpenAI's mission and operations—particularly as they relate to our nonprofit activities in California and beyond.

In the interest of transparency and good faith, we would like to extend an invitation to your client to meet with our team. Our goal is to provide clarity on OpenAI's objectives and correct the record regarding the nature and scope of our nonprofit work, which continues to expand in service of the public interest. Before arranging a meeting, we respectfully request full disclosure regarding the funding sources behind the Coalition for AI Nonprofit Integrity's activities.

Given the seriousness of the allegations and the impact of these campaigns, we believe it is essential that all parties operate with transparency. OpenAI has consistently conducted itself in an open, constructive, and law-abiding manner, and we hope your organization shares that same commitment.

This is a critical moment for the future of artificial intelligence and its responsible stewardship. Californians—and the world—deserve a clear view of who is influencing public discourse and regulatory engagement on this topic.

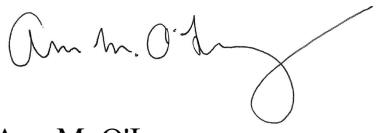
As you may know, Elon Musk has engaged in a coordinated campaign via bad-faith tactics, including multiple lawsuits, to disrupt our operations for his own personal benefit. The Attorney General of California recently addressed and denied Elon's request to sue on the state's behalf,

saying it would not "serve the overall public interest of the People of the State of California." See https://openai.com/elon-musk/.

We raise this context because several of your client's public positions echo themes and language found in these ongoing efforts. We would welcome clarification as to whether there is any affiliation or coordination with this or any other individuals or organizations.

Please let us know your availability for a meeting. We believe a constructive dialogue can help clarify facts and foster mutual understanding moving forward.

Sincerely,



Ann M. O'Leary
Attorney for OpenAI
Jenner & Block LLP
AOleary@jenner.com
(415) 293-5942

EXHIBIT J

BA20250304523

STATE OF CALIFORNIA
Office of the Secretary of State
STATEMENT OF INFORMATION
CA NONPROFIT CORPORATION

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 657-5448

For Office Use Only

-FILED-

File No.: BA20250304523
Date Filed: 2/11/2025

B3437-5500 02/11/2025 4:43 PM Received by California Secretary of State

Entity Details

Corporation Name	Coalition for AI Nonprofit Integrity
Entity No.	6538428
Formed In	CALIFORNIA

Street Address of California Principal Office of Corporation

Street Address of California Office	2350 KERNER BLVD STE 250 SAN RAFAEL, CA 94901

Mailing Address of Corporation

Mailing Address	2350 KERNER BLVD STE 250 SAN RAFAEL, CA 94901
Attention	Joel Aurora

Officers

Officer Name	Officer Address	Position(s)
+ Jeffrey Gardner	2350 KERNER BLVD STE 250 SAN RAFAEL, CA 94901	Chief Executive Officer
+ Joel Aurora	2350 KERNER BLVD STE 250 SAN RAFAEL, CA 94901	Chief Financial Officer, Secretary

Additional Officers

Officer Name	Officer Address	Position	Stated Position
None Entered			

Agent for Service of Process

Agent Name	Joel Aurora
Agent Address	2350 KERNER BLVD STE 250 SAN RAFAEL, CA 94901

Email Notifications

Opt-in Email Notifications	Yes, I opt-in to receive entity notifications via email.

Electronic Signature

☒ By signing, I affirm that the information herein is true and correct and that I am authorized by California law to sign.

Joel Aurora
Signature

02/11/2025
Date

EXHIBIT K

October 4, 2024

ATTORNEY-CLIENT COMMUNICATION
PRIVILEGED & CONFIDENTIAL
(BUS. & PROF. CODE § 6149)

Susan Parker
County Administrative Officer
County of Lake
255 N. Forbes Street
Lakeport, CA 95453

Re: Terms of Engagement, Conflict Waiver and Relationship Matters

Dear CAO Parker,

We are pleased to have the opportunity to represent the County of Lake. The firm appreciates your confidence in us, and we look forward to working with you. This letter agreement and the enclosed Terms of Engagement (the "Terms") contain the Client's agreement with us regarding the engagement of our firm. The term of this agreement begins October 1, 2024, and will be for two years with three optional one-year extensions with written approval from the County of Lake.

Subject Matter and Scope of Representation

Our representation of the Client under this Engagement relates to legislative advocacy, engagement on the California budget process, and other legislative projects as assigned. (the "Subject Matter"). If you request us to perform legal, lobbying, or other services not provided for in this letter, a separate written agreement between us will be required, and our representation as to any matters not specified herein will be subject to resolution of any conflict issues that may arise, and to our acceptance in writing at the time of a request from the Client for a particular undertaking. Unless otherwise agreed in writing, the terms of this letter agreement and the Terms will also apply to any additional matters that we agree to handle on the Client's behalf.

The terms of your engagement of this firm involve advocacy to influence legislative and/or administrative action in California. As disclosed on the previously filed Lobbying firm Authorization Form (FPPC Form 602), you wish this firm to influence the following agencies on your behalf:

California Legislature, Governor's Administration, State Agencies and Departments

As we discussed, state law requires that you and this firm file quarterly reports, which disclose your lobbying activities and ours, the payments you make for and in connection with these efforts, and any other payments you make to influence legislative or administrative action. The amount disclosable on these lobby disclosure reports will be clearly marked on each invoice.

The firm will prepare Lobby Disclosure on your behalf, based on information which you provide us, at the state levels. Such reports will be submitted to you to confirm they are complete and

accurate and obtain a signature when required by law. Our firm will file such reports with the appropriate officials. To the extent possible, our firm will sign reports as your representative. While Nielsen Merksamer will be responsible for performing its duties accurately, you are responsible for providing us with timely, accurate and complete information necessary to complete the reports.

Identity of Client

We will represent only the Client in connection with the Subject Matter. We will not be representing any of the Client's related or affiliated or associated persons or entities (collectively, "Affiliates"), in connection with the Subject Matter, and this letter is not intended to, and does not, create any legal relationship between this law firm and such Affiliates, except as explicitly identified by you, in writing, during the course of our engagement and reviewed for potential conflicts of interest. The firm must agree in writing to represent any such Affiliate before it accepts an obligation to do so.

If the Client is an individual, such Affiliates include family members, colleagues, or entities with which the Client is associated. If the Client is an organization or entity, including but not limited to a corporation, partnership, public agency, etc., such Affiliates would include any parent, subsidiary, or affiliated corporation or other entity, including but not limited to any of Client's members, or any of the Client's officers, directors, investors, agents, partners, consultants or employees (collectively, "Agents").

Should the Client, or a representative of Client with whom we work, serve on boards, or be employed by companies, we are not and will not be representing the Client in any of those capacities. Accordingly, we will generally not be precluded from representing other existing clients or future clients in matters relating to or adverse to the Client's Affiliates or any of its or their Agents.

Additionally, because the Client is a public agency, we wish to confirm that the scope of this Engagement does not confer "consultant" status on any of the attorneys and other firm personnel providing services for you, or otherwise subject firm personnel to public disclosure requirements as a "public official" under your conflict-of-interest code. We will only accept this engagement if it does not, under your conflict-of-interest code, qualify any Nielsen Merksamer attorney or other personnel as public officials.

Responsible Professionals will be primarily responsible for this matter. Other professionals who are likely to assist me include Geoff Neill and Andrew Langley. As appropriate, other professionals in the firm may assist us in the work for the Client.

Fees and Charges

As we discussed, our monthly retainer to be available to perform the specific legal services described above shall be $4.500.00/month. This fee would be fixed for the first two years of the contract, with escalators not to exceed the rate of increase of the Consumer Price Index for three optional one-year extensions, if approved in writing by the County. This retainer will be billed each month in advance and is fully earned by us upon payment. Additionally, expenses incurred in

connection with this representation will be billed monthly. Attached is our invoice for the first month, which is due prior to the commencement of legal services.

This monthly retainer is subject to review at the beginning of each year and subject to modification by mutual agreement. If we believe a change is warranted, we will contact you about modifying this monthly retainer.

In the event that you believe that any statement for our services is erroneous for any reason, you will notify us of the same within 30 days after the receipt of such statement, stating the basis for your belief. We believe that most problems of this nature can be resolved promptly through good faith discussion, but if agreement cannot be reached with respect to the amount owed, you agree to promptly pay the undisputed portion of our statement and submit the disputed portion for resolution by an appropriate arbitration forum as discussed in our attached "Terms of Engagement."

Waiver of Prospective Conflicts on Unrelated Matters

It is important for you to understand that our law firm represents many clients who participate in the governmental and political process in California and nationwide. Also, since 1975, Nielsen Merksamer has represented thousands of clients in dealing with, and/or litigating for or against, various governmental agencies and complying with federal, state, and local political laws, and we are accepting new engagements all the time. It is virtually inevitable that we will work on projects for other clients having different business interests, governmental or political objectives, beliefs, or views from you**.**

Additionally, Nielsen Merksamer performs a variety of professional services for its clients, including general counsel matters, litigation, legislative advocacy, regulatory law, political and strategic advice, coalition building, fundraising, and ballot measure, lobbying disclosure, and PAC compliance (including preparing federal, state, or local disclosure forms). It is certainly possible, even likely, that we will represent these and future clients on matters that may or will be adverse in some way to your interests, but which are not directly related to the Subject Matter for which you are retaining us.

In particular, we wish to advise you that we represent **San Diego County, Contra Costa County, Yolo County, and Imperial County** whose interests are, or in the future may be, contrary to yours with respect to matters that are not substantially related to the Subject Matter.

Because our representation of the Client is limited to the Subject Matter, we wish to confirm the Client's consent that our present representation both will not prevent us from representing other existing or future clients in other matters not substantially related to the Subject Matter, whether or not the Client (including, for these purposes, Affiliates and Agents) is adverse or otherwise involved in those matters. As a condition of our undertaking this matter, the Client agrees that:

- We can continue to represent, or can in the future represent, existing or new clients in any matter, so long as the matter is not substantially related to our work for the Client on the Subject Matter, even if those other Client's business, political or governmental interests are adverse to the Client in the other matter;

- We might obtain confidential information of interest to the Client in these other matters that we cannot share with the Client; and

- The Client waives any claimed conflict of interest that might arise from such engagements by other Client, and will not seek to disqualify us in, or assert a conflict with respect to, any of those engagements as a result of our representation of the Client in the Subject Matter.

Based on the information that has been provided to us, we do not believe that our representation of the Client currently involves any actual conflict of interest with any other client. If conflicts arise between you and any of our other clients regarding matters that are not substantially related to the Subject Matter, our firm will apprise you promptly, to the extent permitted and/or required by the applicable rules of professional conduct, and we will attempt to resolve those conflicts by bringing you and our other client(s) together to see whether it is possible to resolve the conflict. While you would certainly be free to terminate our relationship and retain independent counsel, you agree that this firm nonetheless would be free to represent such clients, even on those matters which you consider adverse, but which are not substantially related to the Subject Matter, and that you waive any conflict of interest in connection therewith.

By signing this letter and returning it to us, you acknowledge that we have discussed these matters with you, and you confirm that you do not object to our representation of other clients on matters where their general business, governmental or political objectives and/or positions may be different from, or adverse to, yours, but which are not substantially related to the Subject Matter, and that you do not object to our representation of such clients on such matters**.** You further agree that you will not assert any conflict of interest concerning such representation or attempt to disqualify this firm from representing such clients notwithstanding such adversity.

Needless to say, these acknowledgments and waivers do not permit our law firm, without your written consent, to represent any other client in connection with the Subject Matter in a manner that could be in any way adverse to you.

Additionally, the occasion might arise for us to consult regarding our engagement for the Client with our own counsel—our General Counsel or other firm lawyers working with our General Counsel who do not perform work for the Client on the Subject Matter, or with our own outside counsel—at our expense, of course. To the extent that we are addressing our own rights or responsibilities, a conflict of interest might be deemed to exist between us and the Client as to such consultation or resulting communications, particularly if a dispute were to arise between us and the Client regarding the Subject Matter. A condition of this engagement is that, in such circumstances, the Client hereby consent to such consultation occurring, and waives any claim of conflict of interest based on such consultation or resulting communications that could otherwise disqualify us from continuing to represent the Client or from acting in our own behalf, even if doing so might be deemed adverse to the interests of the Client. The Client acknowledges that such communications are protected by our own attorney-client privilege from disclosure to the Client.

Consistent with our obligations under U.S. law and standards of legal practice, we will maintain the confidentiality of confidential information belonging to the Client. Unless bound to do so by law or order of a competent court we will not disclose your confidential information to other parties,

including other clients, or use it for their benefit, unless the Client consents. In addition to the foregoing, we will comply with all applicable anticorruption, anti-bribery, and anti-unfair competition laws in connection with the provision of services hereunder.

* * * * *

Our engagement, conflict and billing practices reflect our desire to deal fairly with our clients in these as in all other aspects of our relationship. We welcome the opportunity to be retained by the Client, and, assuming this letter is acceptable to the Client, we look forward to providing our services to them on a mutually satisfactory basis.

We encourage the Client to consult with other counsel or advisors of their choice regarding these matters, and to fully consider the possible implications of our representation on the basis described. If the Client agrees to all the foregoing matters and Terms of Engagement, please communicate that agreement by signing and returning to me a copy of this letter. Your signature indicates your informed written consent to our representation in accord with the terms herein.

This agreement will not take effect, and we will have no obligation to provide legal services, until we receive a signed copy of this letter agreement, together any advance payment that may be invoiced herewith, but its effective date will be retroactive to the date we first performed services. Although this engagement letter is considered confidential, you agree that we may share the terms of any conflict waivers (after redacting any otherwise confidential information) with our other affected client(s) and that we may disclose the fact of your waiver publicly or to other persons where reasonably necessary to rebut allegations that we are engaged in improper conflicting representations.

Thank you again for the opportunity to represent you. We look forward to a mutually beneficial working relationship and will do our best to represent you effectively.

Very truly yours,

Michelle Rubalcava
Partner

MR/kjh

The undersigned agrees to the terms of this letter agreement and attached Terms of Engagement.

County of Lake

By: _____
Susan Parker

Date: _____

NIELSEN MERKSAMER PARRINELLO GROSS & LEONI, LLP
TERMS OF ENGAGEMENT

Experience has shown that the attorney-client relationship works best when there is a mutual understanding about fees, expenses, billing, and payment terms. Accordingly, this statement is intended to briefly explain our billing policies and procedures and other issues related to the attorney-client relationship. We encourage our clients to discuss with us any questions they may have concerning these policies and procedures, either at the inception of our engagement or during its course. Any specific billing arrangements different from the policy of the firm outlined below will be confirmed in a separate written agreement between the client and the firm.

Except as modified in writing, Nielsen Merksamer Parrinello Gross & Leoni, LLP ("we," "us," or "Nielsen Merksamer") and the client ("you" or "Client") agree to the following provisions with respect to the relationship between them identified in the accompanying letter agreement:

Respective Responsibilities of Attorney and Client

We will keep you reasonably informed of significant developments in the Subject Matter and as necessary to perform our services. We will consult with you as to our progress and issues that arise.

You will be candid and cooperative with us and will keep us informed with complete, accurate and timely factual information, documents, and other communications relevant to the Subject Matter or otherwise reasonably requested by us to perform the services. We may rely on these communications, without independent verification. You will also assist us by making business, strategic, and technical decisions appropriate to enable completion of the work and performance of the services. You also agree to keep Nielsen Merksamer reasonably informed of developments and of Client's address, telephone number and whereabouts, and timely make any payments as required by the Engagement for Services.

We provide only legal services and, where specified in the engagement, certain reporting and bookkeeping services. You are not relying on us for and we are not providing, among other things, investment, insurance, accounting or technical advice or making business decisions, nor are we investigating the character or credit of persons with whom you may be dealing.

Timely Billing and Payments

Nielsen Merksamer provides clients with monthly invoices for services performed and expenses incurred in connection with the representation. Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, and expenses incurred on the client's behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month.

Invoices are due and payable upon receipt and are past due in 30 days. Failure to pay invoices on a timely basis subjects a client to discontinuance of legal service at the option of the firm. The firm will give the client due notice of an intention to discontinue service.

To facilitate the billing process, we ask that you fill out and return the enclosed "Client Billing Instructions" form.

Billing Rates

Unless a retainer or project fee is specified in our engagement letter, usually fees are calculated by multiplying the number of hours devoted to a client's specific project by the hourly rates of the personnel rendering the services. In circumstances where time is required for more than one client, a portion of the work product development time may be charged to each benefitted client. In certain cases, which will be discussed in advance with the client and agreed in writing, our fee will be based upon the novelty or difficulty of the issue, or the time or other limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other personnel rendering services on a client's behalf. Attorneys in the firm are generally billed at rates from $335.00 to $1,495.00 per hour, and paralegals, law clerks, and non-attorney lobbyists are billed at rates from $250.00 to $680.00 per hour. The current hourly rates of the political reports specialists ("PRS") range between $235.00 and $245.00. The PRS Unit Supervisors currently bill between $250.00 and $425.00 per hour, depending on the tasks being performed. The rates of the specific attorneys or staff involved from time to time in your matters are available to you at any time upon request.

These hourly rates are reviewed annually and may be adjusted, effective January 1 of any given year, to reflect competitive conditions, inflation, and other factors. You agree that those and other changes will apply prospectively to all matters then being handled by the firm for you, and may result in increases in excess of the specific numbers or ranges previously provided to you. You will receive notice of general rate changes no later than upon delivery of our first statement that reflects the new rates. Individual rate changes will be evident from the detailed information that accompanies each bill.

If you decline to pay any increased rates, Nielsen Merksamer will have the right to withdraw as your lawyers.

Charges for Other Items

It is our policy to serve all of our clients with effective support systems, while at the same time allocating fees and expenses of such systems in accordance with the extent of usage by individual clients. Therefore, in addition to our fees for professional services, we also charge for certain other services and expenses, including, but not limited to:

- *Duplicating/Printing.* Our standard charge for duplicating (including copying, printing, scanning, and alternative means of reproduction), currently at $.10 per page.

- *Charges for Travel, Lodging, Meals, and Meetings.* Amounts charged for transportation fares, hotels and other lodging, meals, and other travel accommodations, including (as applicable) agency fees. If a meeting is held for your benefit, direct and specific meeting-related costs, including but not limited to meals (and related service).

- *Electronic Research/Telephone Charges.* Automated database and computer-assisted legal and other research and search charges, and other similar items. These charges are in addition to professional fees in connection with the specific research or communications.

  We include charges for any fee-based online research databases and services employed for a specific client matter; they are not treated as overhead (in contrast

to certain real estate and equipment costs, which cannot reasonably be so attributed). Such costs are charged to the clients who use data services in proportion to their usage. We negotiate flat fee contract amounts, which are steeply discounted depending on total usage volumes, and the firm passes the discount on to clients by means of appropriate allocation.

- *Lobby/Campaign Reporting Fees.* If the Subject Matter of our representation includes preparing and filing lobbying and/or campaign reports at the federal, state, and/or local levels you will be billed a nominal cost per month for the software necessary to prepare and electronically file your reports. You may also, if appropriate, be billed a separate per-month amount for a license associated with electronic questionnaires to collect information for reports. The amounts of these charges will reflect the volume of reporting services provided. The amounts of these charges are subject to possible adjustment as of January 1st each year or in response to a change in circumstances.

- *Client-Secure Website Services*. If, as part of your engagement, we are asked to set-up and maintain a secure website to maintain online client access to campaign/lobby reports filed on your behalf and related services, you may be charged fees for the resources provided through that service.

- *In-House Mapping Services*. Where the scope of our engagement makes it necessary to provide appropriate legal advance, such as (for example) redistricting and voting rights engagements, you may be charged a one-time fee for use of our licensed, computerized in-house mapping services, which enable us to independently investigate and study demographic and potential districting options under attorney-client privilege. (Communications with a non-lawyer demographic consultant are often not privileged.) An invoice for these services will be provided with this Engagement for Services.

- *Costs and Expenses.* Any and all other costs that we incur for your benefit, which may include filing fees, special deliveries, messengers, court reporter and transcription fees, expert fees, consulting services, external duplicating, and imaging, as well as special appearance fees and other local charges imposed on attorneys solely in connection with the specific engagement. You agree to pay vendor invoices sent to you for direct payment in a timely manner. (We assume no obligation to advance any costs or expenses on your behalf or to pay vendors, experts, consultants or other third parties we engage on your behalf.)

Estimates Not Binding

It is often impractical to determine in advance the amount of effort that will be needed to complete all the necessary work on a matter or the total amount of fees, charges and costs that may be incurred. Obviously, if any estimates or budgets are provided, they may need to be adjusted upward or downward in response to changing circumstances. Unless otherwise expressly agreed in writing, our estimates and budgets are not intended to be binding, are subject to unforeseen circumstances, and by their nature are inexact and do not limit or “cap” our fees and other charges or costs.

Fees Not Contingent

Unless otherwise specifically agreed in writing, our fees are not contingent upon the outcome or completion of a matter.

No Guarantee of Outcome

We do not and cannot guarantee the outcome of any matter. Either at the commencement or during the course of our representation, we may express our opinions, views or beliefs concerning claims or courses of action and the results that might be anticipated. Any such statement made by a representative of our firm is intended to be an expression of opinions, views, and beliefs only, based on information available to us at the time, and should not be construed by you as a guarantee of any type.

Electronic Communications

During the course of our engagement, we may exchange electronic versions of documents and e-mails with you using commercially available software. Such electronic communications are not an absolutely secure method of communication. They are occasionally victimized by the creation and dissemination of so-called viruses, destructive electronic programs, or invasions of expected privacy. Further, our virus-scanning software may occasionally reject a communication that you send to us, or we in turn may transmit something to you that is rejected by your system. We believe these infrequent occurrences are to be expected as part of the ordinary course of business, although they do affect the security and reliability of these communications.

Notwithstanding these risks, by signing the engagement letter, you acknowledge and accept the risk in electronic communication, and authorize Nielsen Merksamer to use electronic means to communicate with you and others necessary to effectively represent you.

If there are certain documents with respect to which you wish to maintain absolute confidentiality, you must advise Nielsen Merksamer in writing not to send them via electronic means and Nielsen Merksamer will comply with your request.

Termination of Representation

You can terminate our services at any time. If you do, you agree to give us prompt written notice of the termination. Upon our termination, you will remain obligated to pay for all services rendered and costs or expenses paid or incurred on your behalf before the termination, or which are reasonably necessary thereafter. If we are attorneys of record in any proceeding, you agree to promptly execute and return to us the Substitution of Attorney we provide to you.

We can also withdraw from this representation at any time, except to the extent limited by applicable law or rules of professional conduct. Some reasons for our withdrawal might include, but are not limited to:

- You fail to honor the terms of our engagement letter and these Terms of Engagement or fail to pay our statements in a timely manner, or you decline to pay any increased rates contemplated by this agreement;

- You make it unreasonably difficult to represent you effectively or you insist on conduct contrary to our advice on a matter; or

- Facts or circumstances arise that, in our view, render our continuing representation unlawful or unethical.

If we elect to withdraw, you will take all steps necessary to free us of any obligation to perform further services, including the execution of any documents necessary to complete our withdrawal. Notwithstanding such withdrawal, you will remain obligated to pay us for all services provided and to reimburse us for all costs and expenses paid or incurred on your behalf before the termination or which are reasonably necessary thereafter.

If the agreement provides for a monthly retainer, Client will pay an additional payment equivalent to a one-month retainer payment to cover professional services associated with winding down the legal representation and closing and/or transferring the file as directed.

Our representation of you will be considered terminated at the earliest of your termination of our representation, our withdrawal from our representation of you, or the substantial completion of our work for you (as may be evidenced by a final bill, by a substantial period of inactivity not caused by our negligence or otherwise).

Arbitration of Disputes, Claims or Controversies

In a dispute subject to the jurisdiction of the State of California over fees, charges, costs, or expenses, you have the right to elect arbitration pursuant to the fee arbitration procedures of the State Bar of California, as set forth in California Business & Professions Code §§ 6200, et seq. Those procedures permit a trial after arbitration, unless the parties agree in writing, after the dispute has arisen, to be bound by the arbitration award. If you do not elect to proceed under the State Bar fee arbitration procedures, any dispute over fees, charges, costs, or expenses will be resolved by binding arbitration.

Disclosure of Conflicts and Other Information

To allow us to conduct a conflicts check, you represent that you have identified for us all persons and entities that are or may become involved in the subject matter, including all persons and entities that in any material respect are related, affiliated, or associated with you, and other involved or potentially involved parties (such as parent corporations, subsidiaries and other affiliates, officers, directors and principals). You also agree that you will promptly notify us if you become aware of any other persons or entities that are or may become involved in the matter. You agree to cooperate fully with us and to provide promptly all information known or available to you that is relevant to our representation.

Furthermore, although this engagement letter may be considered confidential, you agree that we may share the terms of any conflict waivers (excluding otherwise confidential information) with our other affected client(s) and that we may disclose the fact of any conflict waiver, as well as any document memorializing it (after redactions, if appropriate) where reasonably necessary to rebut allegations of improper conflicting representations.

Registered Limited Liability Partnership/ Limitation on Liability

The firm of Nielsen Merksamer Parrinello Gross & Leoni, LLP, is a California registered limited liability partnership. As a result, with certain possible limited exceptions, none of which may be applicable, our partners, as distinguished from the partnership, by reason of being a partner or acting in the conduct of the business or activities of Nielsen Merksamer Parrinello Gross & Leoni, LLP, are not liable or accountable to you, directly or indirectly, including by way of

indemnification, contribution, assessment, or otherwise, for debts, obligations, or liabilities of or chargeable to the firm or another partner, whether arising in tort, contract, or otherwise, that are incurred, created, or assumed by the firm.

License to Practice Law

All of our attorneys are licensed in California and in other jurisdictions, as indicated on their biographies on our website. In instances in which you request legal services that require practice of law in another jurisdiction, for example, appearing in person in an administrative hearing, we will inform you of steps that must be taken, or may suggest partnering with in-state counsel through a network to which our firm belongs.

Indemnity of Treasurer/Corporate Officer

One of the services that Nielsen Merksamer offers to its clients upon request is to serve as Treasurer of political action committees.

A Treasurer is generally responsible under federal, state, or local law for a variety of matters, including the preparation and filing of timely, accurate and detailed campaign reports, and itemizing committee expenditures made and contributions received. In some cases, the Treasurer may be held personally responsible for even inadvertent mistakes on reports, including mistakes which were caused by the failure of others to provide the Treasurer with accurate and timely information necessary to prepare the reports.

While Nielsen Merksamer will be responsible to perform its duties accurately, it cannot take responsibility for errors, mistakes or violations caused by others, including, without limit, the failure of others to provide Nielsen Merksamer with timely information necessary for the filing of campaign reports. Therefore, you agree to defend and indemnify Nielsen Merksamer and its individual lawyers against any and all liabilities, including administrative fines or penalties, arising out of the performance of duties as committee Treasurer, which liabilities result from untimely, insufficient, or inaccurate information being provided to Nielsen Merksamer by committee members, committee vendors, committee agents or employees.

Where appropriate, Nielsen Merksamer attorneys will also serve as corporate officers for various corporate entities formed to facilitate the provision of the services for which you have retained us. Again, while Nielsen Merksamer will be responsible to perform its duties accurately, it cannot take responsibility for errors, mistakes or violations caused by others, including, without limit, the failure of others to provide Nielsen Merksamer with timely or accurate information. Therefore, you agree to defend and indemnify Nielsen Merksamer and its individual lawyers against any and all liabilities, including administrative fines or penalties, arising out of the performance of duties a corporate officer, which liabilities result from untimely, insufficient, or inaccurate information being provided to Nielsen Merksamer by corporate directors, members, vendors, agents, or employees.

Financial Decisions; No Investment Advice

If our firm opens and maintains a bank account in connection with our representation of you, as, for example, when administering a political action committee, we will inform you of options for managing and protecting funds. While the firm will exercise diligence when administering funds at your direction, financial decisions, including money management, choice of

bank, and investment decisions, will be made by you as the client.

You understand and agree that Nielsen Merksamer are not financial or investment advisors, and the Firm does not assume any responsibility for rendering advice with respect to such decisions.

Document Retention and Destruction

In the course of our representation of you, we are likely to come into possession of copies or originals of documents or other materials belonging to you or otherwise constituting client records, such as correspondence, pleadings, transcripts, exhibits, physical evidence, and other items reasonably necessary to your representation (collectively, "Client Materials").

Once the particular matter to which those Client Materials relate has been concluded, we will make arrangements either to return the Client Materials to you, retain them in our storage facilities or dispose of them. If you do not request their return, and in the absence of any other specific written arrangements with you or legal requirements to the contrary, you agree that we may dispose of those Client Materials consistent with any reasonable records retention policy that we may have in effect from time to time.

It is our policy to destroy or discard files, documents, and records relating to campaign reports, lobby reports, or statements of economic interests seven years after a report or statement is filed or after the statute of limitation expires, whichever comes later.

As to all other Client Materials, unless you have sought the return of such Client Materials within two years after the conclusion of the matter to which they relate, we may destroy them and will be relieved of any further responsibility to you with respect to them. If we conclude that it would be inappropriate or impermissible to destroy all or any portion of these Client Materials, you agree that we may return or deliver them to you at your last known address, and we will be relieved of any further responsibility with respect to them. We may retain copies if we choose. You agree to pay the expense of the return (or any other directed delivery) of Client Materials. You also agree to take possession (whether or not you take possession of other Client Materials) of original documents, such as wills, investments, stock certificates, etc., whereupon we will have no further responsibility for them.

Our own files pertaining to the matter will not be delivered to you. You agree that our firm files include firm administrative records, time and expense reports, personnel and staffing materials, and credit and accounting records, as well as internal lawyers' work product (such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports and mental impressions, prepared by us or for our internal use). You agree that our files remain our property and for various reasons, including the minimization of unnecessary storage expenses, or for no reason, we may destroy or otherwise dispose of our files a reasonable time after the conclusion of the matter.

Also, as the closing and transfer of legal files require attorney review and judgment, you agree to pay for the attorney time and expenses required to perform these services.

Disclosure of Your Name

We are proud to serve you as legal counsel and hope to share that information with other clients and prospective clients. On occasion,

we provide names of current clients in marketing materials and on our Web site (www.nmgovlaw.com). We may include your name on a list of representative clients. We may also prepare lists of representative transactions or other representations that are public, excluding of course any we believe are sensitive or confidential. If you prefer that we refrain from using your name and representation in this manner, please advise us in writing.

Counterparts; Electronic Signatures

This Engagement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Engagement or in any other certificate, agreement or document related to this Engagement shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign).

The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including, without limitation, the federal Electronic Signatures in Global and National Commerce Act and any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

Miscellaneous

These Terms of Engagement and the accompanying letter agreement supersede all other prior and contemporaneous written and oral agreements and understandings between us on the subject matter hereof, including any outside counsel guidelines or service level agreements, or the like, that you adopt; contain the entire agreement between us on the subject matter hereof; and can be modified only by your and our subsequent written agreement. You acknowledge that no promises have been made to you by us other than those contained in these writings.

Any provision of these Terms of Engagement or the accompanying letter agreement held in whole or in part to be unenforceable for any reason shall be severable if the essential terms of engagement both to you and us remain enforceable. In that event, the remainder of the affected provision and our agreement will remain in effect.

Our agreement will be governed by the internal law, and not the law pertaining to choice or conflict of laws, of the State of California, except to any extent required by applicable law or rules of professional conduct; *provided, however,* that to the extent any provision of the laws of the State of California or otherwise conflict with the Federal Arbitration Act ("FAA") and case law interpreting the FAA, the FAA will govern.

* * * * *

If you have any questions concerning the above policies, please contact us immediately.

For additional information regarding our firm, attorneys, and practice areas, please visit our website at www.nmgovlaw.com.

CLIENT BILLING OPTIONS

Preferred Delivery Method for Invoices:

☐ E-mail Invoice To: _____

_____

_____

☐ E-Billing

Portal Used: _____

Client Matter/PO/Ref. # _____

E-Billing Contact: Name: _____

Phone: _____

E-mail: _____

Preferred Payment Options:

☐ Check Remit Checks to: Nielsen Merksamer
1415 L Street, Suite 1200
Sacramento, CA 95814

PLEASE REFERENCE YOUR CHECK WITH THE ACCOUNT NUMBER AS SHOWN ON THE BOTTOM OF YOUR INVOICE, SO YOUR ACCOUNT CAN BE PROPERLY CREDITED. THANK YOU.

☐ ACH/Wire Transfer:

TO PAY INVOICES BY WIRE:

Bank of America, N.A. 555 Capitol Mall, #490 Sacramento, CA 95814 (888) 400-9009	Acct. #325000610243 Routing No. ACH/EFT: 121000358 Routing No. DOM.WIRES: 026009593 SWIFT Code INL Wires: BOFAUS3N	Beneficiary: Nielsen Merksamer 1415 L Street, #1200 Sacramento, CA 95814 (916) 446-6752

Please send remittance emails to payments@nmgovlaw.com

EXHIBIT L

Jeffrey Gardner

Attorney/LSAT Prep/Law School Admissions Counselor

- Jeffrey M. Gardner, Esq.
- New York University School of Law

New York, New York, United States · Contact info

180 connections

Connect Message More

Activity

185 followers

Jeffrey hasn't posted yet

Recent posts Jeffrey shares will be displayed here.

Show all activity →

Experience

Jeffrey M. Gardner, Esq.
31 yrs 4 mos

- **LSAT Instructor and Admissions Counselor**
  Dec 2008 - Present · 16 yrs 5 mos
- **Attorney**
  May 2008 - Present · 17 yrs
- **Attorney**
  1994 - Present · 31 yrs 4 mos

Recruiter (Law)
Searchlight Group
Mar 2008 - Apr 2009 · 1 yr 2 mos

Legal Recruiters

Kitchen Manager
TGI Fridays
2004 - 2007 · 3 yrs

Restaurant Owner/GM/Chef
Branding Iron BBQ
2002 - 2004 · 2 yrs

Texas-style BBQ restaurant in central NJ.

Associate
Ullman Furhman Broeman & Platt, P.C.
1999 - 2001 · 2 yrs

Show all 8 experiences →

Education

New York University School of Law
1991 - 1994
Activities and societies: Music Director and Performer, Law Revue

Later formed a band with Dawn Botti called 'Slushpuppy'

Binghamton University
B.A., English
1985 - 1989
Activities and societies: J'Asthmatics
Harpur Chorale... ...see more

Show all 3 educations →

Skills

Nonprofits

Editing
7 endorsements

Show all 8 skills →

Recommendations

Received Given

Katherine (Kat) Mateo, J.D. Stanford Law School · 3rd
Counsel at Olshan Frome Wolosky LLP
February 8, 2013, Katherine (Kat) was Jeffrey's client

Jeff was very organized, highly dedicated to preparing my law school application to the best of his abilities, and very fun to work with. His knack for editing to a specific audience was extremely helpful and I am now at Stanford Law School.

anne bono
VP Mktg @ A³ leftist mestiza immigrant GT reader storyteller violently happy aggressively kind often irreverent occasionally wise PS
February 19, 2010, anne managed Jeffrey directly

Jeff is one of my most prized counselors: Always knowledgeable, approachable, enthusiastic, and consistently providing excellent advice and work. He is a pleasure to work with, a pleasure to talk to, and a pleasure to recommend to others. It's counselors like him that make my job not just rewarding, but fun! I'm very grateful to have him on my team. I always know that, when Jeff is at the helm of any project, it will get done well, quickly, and expertly.

Interests

Companies Groups Schools

Binghamton University
142,033 followers
+ Follow

New York University School of Law
106,977 followers
+ Follow

Ad •••
Get personalized content that's aligned to learner career goals

LinkedIn Learning

Achieve your organization's objectives

Contact sales

More profiles for you

Kimberly Frye · 3rd
Law Practice Professional
+ Connect

Kevin Mawn, MBA · 3rd+
Academic Coach / Professional Tutor for LSAT, SAT, ACT, GMAT, GRE, math, and physics
+ Connect

Allison Powell · 3rd+
Independent Law Practice Professional
+ Connect

Matthew Grieco · 3rd+
--
+ Connect

Michelle Malone · 3rd
Legal Data Analyst at Bloomberg
+ Connect

Show all

Explore Premium profiles

Mary Gaspar · 3rd+
Fine Artist as seen in Domino, Architectural Digest & Property Brothers. Represented by Sorelle Gallery.
+ Connect

Brent Sparkman · 3rd+
Senior Experiential Designer at Envy Create

EXHIBIT B

August 4, 2025 Letter from Ann O'Leary to Mr. Christopher B. Burton

525 MARKET STREET, 29TH FLOOR, SAN FRANCISCO, CA 94105-2737

JENNER&BLOCK LLP

Ann M. O'Leary
Tel +1 415 293 5942
AOLeary@jenner.com

August 4, 2025

VIA EMAIL TO MS. VANESSA GREER

Christopher B. Burton
Assistant Chief, Enforcement Division
Fair Political Practices Commission
1102 Q Street, Suite 3050
Sacramento, CA 95811

Re: FPPC Complaint No. COM-07072025-02059; Jeffrey Mark Gardner, Joel Aurora, Kira Simon

Dear Mr. Burton,

I write on behalf of my client, OpenAI. On July 7, 2025, OpenAI filed Complaint No. COM-07072025-02059 ("the Complaint"), with the Fair Political Practices Commission. Since then, additional information relevant to the claims asserted in the Complaint has come to light, which I wanted to bring to your attention as the Commission continues to review the Complaint.

First, as discussed in the Complaint, the Coalition for AI Nonprofit Integrity ("CANI") reported in its Q1 Form 635 that it spent $0 on lobbying in the first quarter of 2025—despite the fact that CANI engaged a lobbying firm to lobby Assemblymember Diane Papan's office in support of AB 501 during that time. *See* Compl. at 3, Ex. H. On July 30, 2025, CANI filed its Q2 Form 635 with the California Secretary of State to report lobbying expenses from the second quarter of 2025, which ***again*** reports that CANI spent $0 in lobbying. This recent filing is particularly perplexing: assuming CANI incurred lobbying expenses to the firm in the first quarter, it is implausible that CANI would not have been required to pay for (and thus report) those expenses by the end of the second quarter of 2025. This provides further evidence that CANI is likely in violation of the Political Reform Act. A copy of the Q2 Form 635 (signed by Kira M. Simon and dated July 31, 2025) is attached as **Exhibit 1**.

Second, the Complaint noted the lengths OpenAI went to in an effort to determine who was financially backing CANI, and it shared that OpenAI learned that Mr. Lawrence Lessig—a Harvard professor, lawyer, and reviewer of the Joint California Policy Working Group on AI Frontier Models, which was formed to help guide California's AI policy[1]—was one of the only publicly known backers. *See* Compl. at 4. Interestingly, after the existence of the Complaint

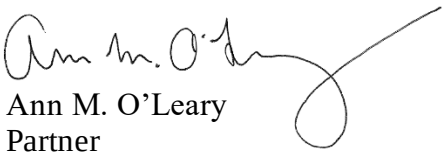
[1] Indeed, the Working Group's recommendations have directly inspired pending legislation in the form of the recently amended California S.B. 53. *See* Sen. Scott Wiener, Press Release, *Senator Wiener Expands AI Bill Into Landmark Transparency Measure Based on Recommendations of Governor's Working Group* (July 9, 2025), https://sd11.senate.ca.gov/news/senator-wiener-expands-ai-bill-landmark-transparency-measure-based-recommendations-governors.

was reported publicly, a CANI spokesperson, Becky Warren, said that "CANI had since returned [Mr. Lessig's] donation."[2] *See* **Exhibit 2**. Now it appears that Mr. Lessig and even Mr. Joel Aurora, CANI's lobbyist, are channeling their efforts through a different nonprofit, Encode, that is similarly targeting OpenAI. *See* **Exhibit 3**. Just today, Encode joined with other coalition groups to release an open letter ironically "calling for greater transparency from OpenAI." Mr. Lessig is featured as a prominent signatory of this letter.[3]

We acknowledge that 501(c)(4) organizations, like CANI, are not required to publicly disclose their donors. That said, the conspicuous timing of Mr. Lessig's donation to CANI being returned raises further questions about who is running the organization, whether they are being transparent with their donors or with the public at large, what those donated funds have been used for and, ultimately, whether CANI has complied with the Political Reform Act.

We appreciate the Commission's ongoing attention to this matter.

Sincerely,



Ann M. O'Leary
Partner
Jenner & Block LLP
Counsel to OpenAI

[2] Notably, Warren has since joined Actum—a public relations firm whose partners also advise OpenAI—and confirmed to POLITICO that she no longer represents CANI. *See* **Exhibit 2**.
[3] *See* Encode, Press Release, *New open letter raises the pressure on OpenAI to answer key questions about risks to its nonprofit mission*¸ Encode (Aug. 4, 2025), https://encodeai.org/new-open-letter-raises-the-pressure-on-openai-to-answer-key-questions-about-risks-to-its-nonprofit-mission.

EXHIBIT 1

☒ **REPORT OF LOBBYIST EMPLOYER**

(Government Code Section 86116)

or

☐ **REPORT OF LOBBYING COALITION**

(2 Cal. Code of Regs. Section 18616.4)

FORM 635
1993

IMPORTANT: Lobbying Coalitions must attach a completed Form 635-C to this Report.

REPORT COVERS PERIOD FROM 04/01/2025 **THROUGH** 06/30/2025

CUMULATIVE PERIOD BEGINNING 01/01/2025

FOR OFFICIAL USE ONLY

A

B

TYPE OR PRINT IN INK

For information required to be provided to you pursuant to the Information Practices Act of 1977, see Information Manual on Lobbying Disclosure Provisions of the Political Reform Act.

NAME OF FILER:

COALITION FOR AI NONPROFIT INTEGRITY

BUSINESS ADDRESS: (Number and Street)	(City)	(State)	(Zip Code)	TELEPHONE NUMBER:
	SAN RAFAEL	CA	94901	

PART I - LEGISLATIVE OR STATE AGENCY ADMINISTRATIVE ACTIONS ACTIVELY LOBBIED DURING THE PERIOD
(See instructions on reverse.)

AB 501

☐ If more space is needed, check box and attach continuation sheets.

SUMMARY OF PAYMENTS THIS PERIOD

A. Total Payments to In-House Employee Lobbyists (Part III, Section A, Column 1)	$	0.00
B. Total Payments to Lobbying Firms (Part III, Section B, Column 4)	$	0.00
C. Total Activity Expenses (Part III, Section C)	$	0.00
D. Total Other Payments to Influence (Part III, Section D)	$	0.00
GRAND TOTAL (A + B + C + D above)	$	0.00
E. Total Payments in Connection with PUC Activities (Part III, Section E)	$	0.00

F. Campaign Contributions: ☐ Part IV completed and attached ☒ No campaign contributions made this period

VERIFICATION

I have used all reasonable diligence in preparing this Report. I have reviewed the Report and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (Date)	At (City and State)	By (Signature of Employer or Responsible Officer)
07/31/2025	San Rafael,CA	KIRA M. SIMON

Name of Employer or Responsible Officer (Type or Print)	Title
KIRA M. SIMON	ATTORNEY & AGENT FOR FILER

PERIOD COVERED: 04/01/2025 06/30/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

PART II - PARTNERS, OWNERS, AND EMPLOYEES WHOSE "LOBBYIST REPORTS" (FORM 615) ARE ATTACHED TO THIS REPORT (See instructions on reverse.)

Name and Title	Name and Title

☐ If more space is needed, check box and attach continuation sheets.

PART III - PAYMENTS MADE IN CONNECTION WITH LOBBYING ACTIVITIES

A. PAYMENTS TO IN-HOUSE EMPLOYEE LOBBYISTS
(See instructions on reverse. Also enter the Amount This Period (Column 1) on Line A of the Summary of Payments section on page 1.)

(1) Amount This Period	(2) Cumulative Total To Date
$ 0.00	$ 0.00

B. PAYMENTS TO LOBBYING FIRMS (Including Individual Contract Lobbyists)

Name and Address of Lobbying Firm/Independent Contractor	(1) Fees & Retainers	(2) Reimbursements of Expenses	(3) Advances or Other Payments (attach explanation)	(4) Total This Period	(5) Cumulative Total to Date
NIELSEN MERKSAMER PARRINELLO GROSS & LEONI LLP SACRAMENTO, CA 95814	0.00	0.00	0.00	0.00	0.00

☐ If more space is needed, check box and attach continuation sheets

TOTAL THIS PERIOD (Column 4)
Also enter the total of Column 4 on Line B of the Summary of Payments section on page 1.

$ 0.00

PERIOD COVERED: 04/01/2025 06/30/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

C. ACTIVITY EXPENSES (See instructions on reverse.)

Date	Name and Address of Payee	Name and Official Position of Reportable Persons and Amount Benefiting Each		Description of Consideration	Total Amount of Activity
			$		$

☐ If more space is needed, check box and attach continuation sheets.

TOTAL SECTION C (Activity Expenses) Also enter the total of Section C on Line C of the Summary of Payments section on page 1. $ 0.00

D. OTHER PAYMENTS TO INFLUENCE LEGISLATIVE OR ADMINISTRATIVE ACTION

☐ NOTE: State and local government agencies do not complete this section. Check box and complete Attachment Form 640 instead.

1. PAYMENTS TO LOBBYING COALITIONS (NOTE: You must attach a completed Form 630 to this Report.) $ 0.00

2. OTHER PAYMENTS $ 0.00

TOTAL SECTION D (1 + 2) Also enter the total of Section D on Line D of the Summary of Payments section on page 1. $ 0.00

E. PAYMENTS IN CONNECTION WITH ADMINISTRATIVE TESTIMONY IN RATEMAKING PROCEEDINGS BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION Also, enter the total of Section E on Line E of the Summary of Payments section on page 1. (See instructions on reverse.) $ 0.00

PERIOD COVERED: 04/01/2025 06/30/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

PART IV -- CAMPAIGN CONTRIBUTIONS MADE (Monetary and non-monetary campaign contributions of $100 or more made to or on behalf of state candidates, elected state officers and any of their controlled committees, or committees supporting such candidates or officers must be reported in A or B below.)

A. If the contributions made by you during the period covered by this report, or by a committee you sponsor, are contained in a campaign disclosure statement which is on file with the Secretary of State, report the name of the committee and its identification number, if any, below.

Name of Major Donor or Recipient Committee Which Has Filed A Campaign Disclosure Statement:

Identification Number if Recipient Committee:

B. Contributions of $100 or more which have not been reported on a campaign disclosure statement, including contributions made by an organization's sponsored committee, must be itemized below.

Date	Name of Recipient	I.D. Number if Committee	Amount
			$
			$
			$
			$
			$
			$
			$
			$
			$
			$

☐ If more space is needed, check box and attach continuation sheets.

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

EXHIBIT 2

POLITICOPRO

PR firm drops OpenAI foe after joining Actum

A PR executive who helped the Coalition for AI Nonprofit Integrity weather OpenAI's attacks joined a consultancy firm where the tech company is a client.

BY: **CHRISTINE MUI** | 07/22/2025 08:31 PM EDT

SAN FRANCISCO — A nonprofit that has been a thorn in the side of OpenAI over the tech company's controversial restructuring plan was dropped by its spokesperson after she joined a consultancy firm that works with OpenAI.

Becky Warren, the co-founder of Elevate Public Affairs, helped the Coalition for AI Nonprofit Integrity navigate an intense pressure campaign OpenAI mounted against it in recent months after the group publicly challenged changes the ChatGPT-maker is trying to make to its corporate structure. OpenAI subpoenaed the nonprofit in search of connections to Elon Musk, accused it of violating state lobbying laws and called for California's campaign finance watchdog to investigate.

But, this week, Warren confirmed to POLITICO that she no longer is doing communications work for the group. The decision was made as Actum, a global consultancy firm, announced it had brought Warren on as a partner. POLITICO reported days after that another Actum partner, former Sen. Laphonza Butler, is advising OpenAI.

Warren and Actum did not provide a reason for the decision to sever ties with CANI.

Warren also did not comment on whether she would work with OpenAI at Actum. In a past instance, the appearance of conflicts of interest led to a backlash against former Sen. Heidi Heitkamp and her to quickly resign from the firm.

OpenAI has left no stone unturned as it tries to cast doubt on the motivations of CANI and to link the group to Musk, the ChatGPT-maker's estranged cofounder. Musk has filed a lawsuit to block OpenAI's restructuring.

Company lawyers for OpenAI went after CANI once it backed a now-gutted bill from Assemblymember Diane Papan that would have prevented large venture-backed

nonprofits like OpenAI from converting into a for-profit entity.

Other outside groups have also raised concerns that the restructuring — which would see OpenAI turn into a public-benefit corporation controlled by a nonprofit — will undermine its charitable mission. The attorneys general for California and Delaware are investigating.

During her work for CANI, Warren defended the nonprofit as a grassroots effort that is not funded by Musk. When OpenAI sent a subpoena to CANI in May, Warren rebuked the company for deploying "bullying tactics."

In a complaint to the California Fair Political Practices Commission earlier this month, OpenAI lodged allegations that the nonprofit was putting up a self-employed attorney named Jeffrey Mark Gardner as a fake leader and failing to report lobbying payments. Both claims would breach state law.

Warren previously told POLITICO that CANI's funding came from various individuals, including Harvard professor and one-time presidential hopeful Lawrence Lessig.

After POLITICO published a story about the complaint, where OpenAI raised a potential conflict with Lessig's role in reviewing AI policy recommendations for the state, Warren said that CANI had since returned his donation.

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EXHIBIT 3

☒ **REPORT OF LOBBYIST EMPLOYER**

(Government Code Section 86116)

or

☐ **REPORT OF LOBBYING COALITION**

(2 Cal. Code of Regs. Section 18616.4)

FORM 635
1993

IMPORTANT: Lobbying Coalitions must attach a completed Form 635-C to this Report.

REPORT COVERS PERIOD FROM 04/01/2025 **THROUGH** 06/30/2025

CUMULATIVE PERIOD BEGINNING 01/01/2025

FOR OFFICIAL USE ONLY

A

B

TYPE OR PRINT IN INK

For information required to be provided to you pursuant to the Information Practices Act of 1977, see Information Manual on Lobbying Disclosure Provisions of the Political Reform Act.

NAME OF FILER:

ENCODE AI CORPORATION

BUSINESS ADDRESS: (Number and Street)	(City)	(State)	(Zip Code)	TELEPHONE NUMBER:
	WASHINGTON	DC	20005	

PART I - LEGISLATIVE OR STATE AGENCY ADMINISTRATIVE ACTIONS ACTIVELY LOBBIED DURING THE PERIOD
(See instructions on reverse.)

AB 621; SB 53,243,813; OPENAI CONVERSION: ATTORNEY GENERAL

☐ If more space is needed, check box and attach continuation sheets.

SUMMARY OF PAYMENTS THIS PERIOD

A. Total Payments to In-House Employee Lobbyists (Part III, Section A, Column 1)	$	0.00
B. Total Payments to Lobbying Firms (Part III, Section B, Column 4)	$	81000.00
C. Total Activity Expenses (Part III, Section C)	$	0.00
D. Total Other Payments to Influence (Part III, Section D)	$	30044.73
GRAND TOTAL (A + B + C + D above)	$	111044.73
E. Total Payments in Connection with PUC Activities (Part III, Section E)	$	0.00

F. Campaign Contributions: ☐ Part IV completed and attached ☒ No campaign contributions made this period

VERIFICATION

I have used all reasonable diligence in preparing this Report. I have reviewed the Report and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (Date)	At (City and State)	By (Signature of Employer or Responsible Officer)
07/31/2025	SAN RAFAEL,CA	JOEL S. AURORA

Name of Employer or Responsible Officer (Type or Print)	Title
JOEL S. AURORA	ATTORNEY & AGENT FOR FILER

PERIOD COVERED: 04/01/2025 06/30/2025

NAME OF FILER: ENCODE AI CORPORATION

PART II - PARTNERS, OWNERS, AND EMPLOYEES WHOSE "LOBBYIST REPORTS" (FORM 615) ARE ATTACHED TO THIS REPORT (See instructions on reverse.)

Name and Title	Name and Title

☐ If more space is needed, check box and attach continuation sheets.

PART III - PAYMENTS MADE IN CONNECTION WITH LOBBYING ACTIVITIES

A. PAYMENTS TO IN-HOUSE EMPLOYEE LOBBYISTS
(See instructions on reverse. Also enter the Amount This Period (Column 1) on Line A of the Summary of Payments section on page 1.)

(1) Amount This Period	(2) Cumulative Total To Date
$ 0.00	$ 0.00

B. PAYMENTS TO LOBBYING FIRMS (Including Individual Contract Lobbyists)

Name and Address of Lobbying Firm/Independent Contractor	(1) Fees & Retainers	(2) Reimbursements of Expenses	(3) Advances or Other Payments (attach explanation)	(4) Total This Period	(5) Cumulative Total to Date
TRATTENPRICE CONSULTING SACRAMENTO, CA 95814	81000.00	0.00	0.00	81000.00	81000.00

☐ If more space is needed, check box and attach continuation sheets

TOTAL THIS PERIOD (Column 4)
Also enter the total of Column 4 on Line B of the Summary of Payments section on page 1.

$ 81000.00

PERIOD COVERED: 04/01/2025 06/30/2025

NAME OF FILER: ENCODE AI CORPORATION

C. ACTIVITY EXPENSES (See instructions on reverse.)

Date	Name and Address of Payee	Name and Official Position of Reportable Persons and Amount Benefiting Each		Description of Consideration	Total Amount of Activity
			$		$

☐ If more space is needed, check box and attach continuation sheets.

TOTAL SECTION C (Activity Expenses) Also enter the total of Section C on Line C of the Summary of Payments section on page 1. $ 0.00

D. OTHER PAYMENTS TO INFLUENCE LEGISLATIVE OR ADMINISTRATIVE ACTION

☒ NOTE: State and local government agencies do not complete this section. Check box and complete Attachment Form 640 instead.

1. PAYMENTS TO LOBBYING COALITIONS (NOTE: You must attach a completed Form 630 to this Report.) $ 0.00

2. OTHER PAYMENTS $ 30044.73

TOTAL SECTION D (1 + 2) Also enter the total of Section D on Line D of the Summary of Payments section on page 1. $ 30044.73

E. PAYMENTS IN CONNECTION WITH ADMINISTRATIVE TESTIMONY IN RATEMAKING PROCEEDINGS BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION Also, enter the total of Section E on Line E of the Summary of Payments section on page 1. (See instructions on reverse.) $ 0.00

PERIOD COVERED: 04/01/2025 06/30/2025

NAME OF FILER: ENCODE AI CORPORATION

PART IV -- CAMPAIGN CONTRIBUTIONS MADE (Monetary and non-monetary campaign contributions of $100 or more made to or on behalf of state candidates, elected state officers and any of their controlled committees, or committees supporting such candidates or officers must be reported in A or B below.)

A. If the contributions made by you during the period covered by this report, or by a committee you sponsor, are contained in a campaign disclosure statement which is on file with the Secretary of State, report the name of the committee and its identification number, if any, below.

Name of Major Donor or Recipient Committee Which Has Filed A Campaign Disclosure Statement:

Identification Number if Recipient Committee:

B. Contributions of $100 or more which have not been reported on a campaign disclosure statement, including contributions made by an organization's sponsored committee, must be itemized below.

Date	Name of Recipient	I.D. Number if Committee	Amount
			$
			$
			$
			$
			$
			$
			$
			$
			$
			$

☐ If more space is needed, check box and attach continuation sheets.

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

Attachment Form 640

(Attachment to Form 635 or Form 645)

CALIFORNIA 1993 FORM **640**

PERIOD COVERED: 04/01/2025--06/30/2025

NAME OF FILER: ENCODE AI CORPORATION

For Use By: A state or local government agency that qualifies as a lobbyist employer or a $5,000 filer. Refer to the instructions on the cover page before completing this attachment.

Other Payments to Influence Legislative or Administrative Action:

1. Total payments for overhead expenses related to lobbying activity. Report as a lump sum.	$ 0.00
2. Total payments to Lobbying Coalitions. Report as a lump sum. (Form 630 must be attached)	$ 0.00
3. Total payments of less than $250 during the calendar quarter for lobbying activity (excluding overhead). Report as a lump sum.	$ 4261.40
4. Total payments of more than $250 during the calendar quarter for lobbying activity (excluding overhead). Such payments must be itemized below.	$ 25783.33
5. Grand total of "Other Payments to Influence Legislative or Administrative Action." Also enter this total on the appropriate line of the Summary of Payments section on Page 1 of Form 635 or Form 645.	$ 30044.73

Itemize below payments of $250 or more made during the quarter for lobbying activity. Provide the name and address of the payee, the amount paid during the quarter, and the cumulative amount paid to the payee since January 1 of the biennial legislative session covered by the report.

Also itemize dues or similar payments of $250 or more made to an organization that makes expenditures equal to 10% of its total expenditures or $15,000 or more in a calendar quarter to influence legislative or administrative action. Provide the organization's name and address, the amount paid to the organization during the quarter, and the cumulative amount paid to the organization since January 1 of the biennial legislative session covered by the report.

Name & Address of Payee	Amount This Quarter	Cumulative Amount Since January 1
[P] - THE INFLUENCER LAB LLC WEST ORANGE NJ 07052	$ 0.00	$ 15000.00
NATHAN [S] - CALVIN WASHINGTON DC 20005	$ 20475.00	$ 38675.00
SUNNY [S] - GANDHI WASHINGTON DC 20005	$ 5308.33	$ 10358.33
Subtotal of all payments itemized above	$ 25783.33	

[X] If more space is needed, check box and attach continuation sheets.

Attachment Form 640

(Continuation Sheet)

CALIFORNIA 1993 FORM **640**

PERIOD COVERED: 04/01/2025 -- 06/30/2025

NAME OF FILER: ENCODE AI CORPORATION

Name & Address of Payee	Amount This Quarter	Cumulative Amount Since January 1 Biennial Legislative Session
ADAM [S] - BILLEN WASHINGTON DC 20005	0.00	2656.67

Subtotal of all payments itemized above	$ 0.00	

EXHIBIT C

August 15, 2025 Letter from
Mr. Christopher B. Burton to Ann O'Leary

STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

August 15, 2025

Ann O'Leary
Sent Via Email: aoleary@jenner.com

Re: Complaint No. 07072025-02059; Jeffry Mark Gardner, Joel Aurora, Kira Simon

Dear Ann O'Leary,

This letter is in response to the sworn complaint you submitted to the Enforcement Division of the Fair Political Practices Commission regarding the above-named respondents. After review of the complaint and the information provided, the Enforcement Division will not pursue an enforcement action in this matter. In general, there was insufficient information provided to substantiate a lobbying reporting violation under the Political Reform Act. More specifically, there is insufficient information to conclude that Coalition for AI Nonprofit Integrity ("CANI") made payments to Nielsen Merksamer LLP during the relevant time periods, thereby requiring disclosure on lobbying reports; or that CANI submitted lobbyist employer reports containing inaccurate information.

If you have any questions, please contact Chance Felkins at cfelkins@fppc.ca.gov.

Sincerely,

Christopher B. Burton

Christopher B. Burton
Assistant Chief of Enforcement

cc: Joel Aurora o/b/o Jeffery Mark Gardner, and Kira Simon

EXHIBIT D

Coalition for AI Nonprofit Integrity
California Form 635 (Q2 2025)

☒ **REPORT OF LOBBYIST EMPLOYER**

(Government Code Section 86116)

or

☐ **REPORT OF LOBBYING COALITION**

(2 Cal. Code of Regs. Section 18616.4)

FORM 635
1993

IMPORTANT: Lobbying Coalitions must attach a completed Form 635-C to this Report.

REPORT COVERS PERIOD FROM 04/01/2025 **THROUGH** 06/30/2025

CUMULATIVE PERIOD BEGINNING 01/01/2025

FOR OFFICIAL USE ONLY

A

B

TYPE OR PRINT IN INK

For information required to be provided to you pursuant to the Information Practices Act of 1977, see Information Manual on Lobbying Disclosure Provisions of the Political Reform Act.

NAME OF FILER:

COALITION FOR AI NONPROFIT INTEGRITY

BUSINESS ADDRESS: (Number and Street)	(City)	(State)	(Zip Code)	TELEPHONE NUMBER:
	SAN RAFAEL	CA	94901	

PART I - LEGISLATIVE OR STATE AGENCY ADMINISTRATIVE ACTIONS ACTIVELY LOBBIED DURING THE PERIOD
(See instructions on reverse.)

AB 501

☐ If more space is needed, check box and attach continuation sheets.

SUMMARY OF PAYMENTS THIS PERIOD

A. Total Payments to In-House Employee Lobbyists (Part III, Section A, Column 1)	$	0.00
B. Total Payments to Lobbying Firms (Part III, Section B, Column 4)	$	0.00
C. Total Activity Expenses (Part III, Section C)	$	0.00
D. Total Other Payments to Influence (Part III, Section D)	$	0.00
GRAND TOTAL (A + B + C + D above)	$	0.00
E. Total Payments in Connection with PUC Activities (Part III, Section E)	$	0.00

F. Campaign Contributions: ☐ Part IV completed and attached ☒ No campaign contributions made this period

VERIFICATION

I have used all reasonable diligence in preparing this Report. I have reviewed the Report and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (Date)	At (City and State)	By (Signature of Employer or Responsible Officer)
07/31/2025	San Rafael,CA	KIRA M. SIMON

Name of Employer or Responsible Officer (Type or Print)	Title
KIRA M. SIMON	ATTORNEY & AGENT FOR FILER

PERIOD COVERED: 04/01/2025 06/30/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

PART II - PARTNERS, OWNERS, AND EMPLOYEES WHOSE "LOBBYIST REPORTS" (FORM 615) ARE ATTACHED TO THIS REPORT (See instructions on reverse.)

Name and Title	Name and Title

☐ If more space is needed, check box and attach continuation sheets.

PART III - PAYMENTS MADE IN CONNECTION WITH LOBBYING ACTIVITIES

A. PAYMENTS TO IN-HOUSE EMPLOYEE LOBBYISTS
(See instructions on reverse. Also enter the Amount This Period (Column 1) on Line A of the Summary of Payments section on page 1.)

(1) Amount This Period	(2) Cumulative Total To Date
$ 0.00	$ 0.00

B. PAYMENTS TO LOBBYING FIRMS (Including Individual Contract Lobbyists)

Name and Address of Lobbying Firm/Independent Contractor	(1) Fees & Retainers	(2) Reimbursements of Expenses	(3) Advances or Other Payments (attach explanation)	(4) Total This Period	(5) Cumulative Total to Date
NIELSEN MERKSAMER PARRINELLO GROSS & LEONI LLP SACRAMENTO, CA 95814	0.00	0.00	0.00	0.00	0.00

☐ If more space is needed, check box and attach continuation sheets

TOTAL THIS PERIOD (Column 4)
Also enter the total of Column 4 on Line B of the Summary of Payments section on page 1.

$ 0.00

PERIOD COVERED: 04/01/2025 06/30/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

C. ACTIVITY EXPENSES (See instructions on reverse.)

Date	Name and Address of Payee	Name and Official Position of Reportable Persons and Amount Benefiting Each		Description of Consideration	Total Amount of Activity
			$		$

☐ If more space is needed, check box and attach continuation sheets.

TOTAL SECTION C (Activity Expenses) Also enter the total of Section C on Line C of the Summary of Payments section on page 1. $ 0.00

D. OTHER PAYMENTS TO INFLUENCE LEGISLATIVE OR ADMINISTRATIVE ACTION

☐ NOTE: State and local government agencies do not complete this section. Check box and complete Attachment Form 640 instead.

1. PAYMENTS TO LOBBYING COALITIONS (NOTE: You must attach a completed Form 630 to this Report.) $ 0.00

2. OTHER PAYMENTS $ 0.00

TOTAL SECTION D (1 + 2) Also enter the total of Section D on Line D of the Summary of Payments section on page 1. $ 0.00

E. PAYMENTS IN CONNECTION WITH ADMINISTRATIVE TESTIMONY IN RATEMAKING PROCEEDINGS BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION Also, enter the total of Section E on Line E of the Summary of Payments section on page 1. (See instructions on reverse.) $ 0.00

PERIOD COVERED: 04/01/2025 06/30/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

PART IV -- CAMPAIGN CONTRIBUTIONS MADE (Monetary and non-monetary campaign contributions of $100 or more made to or on behalf of state candidates, elected state officers and any of their controlled committees, or committees supporting such candidates or officers must be reported in A or B below.)

A. If the contributions made by you during the period covered by this report, or by a committee you sponsor, are contained in a campaign disclosure statement which is on file with the Secretary of State, report the name of the committee and its identification number, if any, below.

Name of Major Donor or Recipient Committee Which Has Filed A Campaign Disclosure Statement:

Identification Number if Recipient Committee:

B. Contributions of $100 or more which have not been reported on a campaign disclosure statement, including contributions made by an organization's sponsored committee, must be itemized below.

Date	Name of Recipient	I.D. Number if Committee	Amount
			$
			$
			$
			$
			$
			$
			$
			$
			$
			$

☐ If more space is needed, check box and attach continuation sheets.

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

EXHIBIT E

Coalition for AI Nonprofit Integrity
California Form 635 (Q3 2025)

☒ **REPORT OF LOBBYIST EMPLOYER**

(Government Code Section 86116)

or

☐ **REPORT OF LOBBYING COALITION**

(2 Cal. Code of Regs. Section 18616.4)

FORM 635
1993

IMPORTANT: Lobbying Coalitions must attach a completed Form 635-C to this Report.

REPORT COVERS PERIOD FROM 07/01/2025 **THROUGH** 09/30/2025

CUMULATIVE PERIOD BEGINNING 01/01/2025

FOR OFFICIAL USE ONLY

A

B

TYPE OR PRINT IN INK

For information required to be provided to you pursuant to the Information Practices Act of 1977, see Information Manual on Lobbying Disclosure Provisions of the Political Reform Act.

NAME OF FILER:

COALITION FOR AI NONPROFIT INTEGRITY

BUSINESS ADDRESS: (Number and Street)	(City)	(State)	(Zip Code)	TELEPHONE NUMBER:
	SAN RAFAEL	CA	94901	

PART I - LEGISLATIVE OR STATE AGENCY ADMINISTRATIVE ACTIONS ACTIVELY LOBBIED DURING THE PERIOD
(See instructions on reverse.)

NO LEGISLATION OR ADMINISTRATIVE ACTIONS LOBBIED THIS QUARTER

☐ If more space is needed, check box and attach continuation sheets.

SUMMARY OF PAYMENTS THIS PERIOD

A. Total Payments to In-House Employee Lobbyists (Part III, Section A, Column 1)	$	0.00
B. Total Payments to Lobbying Firms (Part III, Section B, Column 4)	$	0.00
C. Total Activity Expenses (Part III, Section C)	$	0.00
D. Total Other Payments to Influence (Part III, Section D)	$	0.00
GRAND TOTAL (A + B + C + D above)	$	0.00
E. Total Payments in Connection with PUC Activities (Part III, Section E)	$	0.00

F. Campaign Contributions: ☐ Part IV completed and attached ☒ No campaign contributions made this period

VERIFICATION

I have used all reasonable diligence in preparing this Report. I have reviewed the Report and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (Date)	At (City and State)	By (Signature of Employer or Responsible Officer)
10/31/2025	San Rafael,CA	KIRA M. SIMON

Name of Employer or Responsible Officer (Type or Print)	Title
KIRA M. SIMON	ATTORNEY & AGENT FOR FILER

PERIOD COVERED: 07/01/2025 09/30/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

PART II - PARTNERS, OWNERS, AND EMPLOYEES WHOSE "LOBBYIST REPORTS" (FORM 615) ARE ATTACHED TO THIS REPORT (See instructions on reverse.)

Name and Title	Name and Title

☐ If more space is needed, check box and attach continuation sheets.

PART III - PAYMENTS MADE IN CONNECTION WITH LOBBYING ACTIVITIES

A. PAYMENTS TO IN-HOUSE EMPLOYEE LOBBYISTS
(See instructions on reverse. Also enter the Amount This Period (Column 1) on Line A of the Summary of Payments section on page 1.)

(1) Amount This Period	(2) Cumulative Total To Date
$ 0.00	$ 0.00

B. PAYMENTS TO LOBBYING FIRMS (Including Individual Contract Lobbyists)

Name and Address of Lobbying Firm/Independent Contractor	(1) Fees & Retainers	(2) Reimbursements of Expenses	(3) Advances or Other Payments (attach explanation)	(4) Total This Period	(5) Cumulative Total to Date
NIELSEN MERKSAMER PARRINELLO GROSS & LEONI LLP SACRAMENTO, CA 95814	0.00	0.00	0.00	0.00	0.00

☐ If more space is needed, check box and attach continuation sheets

TOTAL THIS PERIOD (Column 4)
Also enter the total of Column 4 on Line B of the Summary of Payments section on page 1.

$ 0.00

PERIOD COVERED: 07/01/2025 09/30/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

C. ACTIVITY EXPENSES (See instructions on reverse.)

Date	Name and Address of Payee	Name and Official Position of Reportable Persons and Amount Benefiting Each		Description of Consideration	Total Amount of Activity
			$		$

☐ If more space is needed, check box and attach continuation sheets.

TOTAL SECTION C (Activity Expenses) Also enter the total of Section C on Line C of the Summary of Payments section on page 1. $ 0.00

D. OTHER PAYMENTS TO INFLUENCE LEGISLATIVE OR ADMINISTRATIVE ACTION

☐ NOTE: State and local government agencies do not complete this section. Check box and complete Attachment Form 640 instead.

1. PAYMENTS TO LOBBYING COALITIONS (NOTE: You must attach a completed Form 630 to this Report.) $ 0.00

2. OTHER PAYMENTS $ 0.00

TOTAL SECTION D (1 + 2) Also enter the total of Section D on Line D of the Summary of Payments section on page 1. $ 0.00

E. PAYMENTS IN CONNECTION WITH ADMINISTRATIVE TESTIMONY IN RATEMAKING PROCEEDINGS BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION Also, enter the total of Section E on Line E of the Summary of Payments section on page 1. (See instructions on reverse.) $ 0.00

PERIOD COVERED: 07/01/2025 09/30/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

PART IV -- CAMPAIGN CONTRIBUTIONS MADE (Monetary and non-monetary campaign contributions of $100 or more made to or on behalf of state candidates, elected state officers and any of their controlled committees, or committees supporting such candidates or officers must be reported in A or B below.)

A. If the contributions made by you during the period covered by this report, or by a committee you sponsor, are contained in a campaign disclosure statement which is on file with the Secretary of State, report the name of the committee and its identification number, if any, below.

Name of Major Donor or Recipient Committee Which Has Filed A Campaign Disclosure Statement:

Identification Number if Recipient Committee:

B. Contributions of $100 or more which have not been reported on a campaign disclosure statement, including contributions made by an organization's sponsored committee, must be itemized below.

Date	Name of Recipient	I.D. Number if Committee	Amount
			$
			$
			$
			$
			$
			$
			$
			$
			$
			$

☐ If more space is needed, check box and attach continuation sheets.

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

EXHIBIT F

Coalition for AI Nonprofit Integrity
California Form 635 (Q4 2025)

☒ **REPORT OF LOBBYIST EMPLOYER**

(Government Code Section 86116)

or

☐ **REPORT OF LOBBYING COALITION**

(2 Cal. Code of Regs. Section 18616.4)

FORM 635
1993

IMPORTANT: Lobbying Coalitions must attach a completed Form 635-C to this Report.

REPORT COVERS PERIOD FROM 10/01/2025 **THROUGH** 12/31/2025

CUMULATIVE PERIOD BEGINNING 01/01/2025

TYPE OR PRINT IN INK

For information required to be provided to you pursuant to the Information Practices Act of 1977, see Information Manual on Lobbying Disclosure Provisions of the Political Reform Act.

FOR OFFICIAL USE ONLY

A

B

NAME OF FILER:

COALITION FOR AI NONPROFIT INTEGRITY

BUSINESS ADDRESS: (Number and Street)	(City)	(State)	(Zip Code)	TELEPHONE NUMBER:
	SAN RAFAEL	CA	94901	

PART I - LEGISLATIVE OR STATE AGENCY ADMINISTRATIVE ACTIONS ACTIVELY LOBBIED DURING THE PERIOD
(See instructions on reverse.)

NO LEGISLATION OR ADMINISTRATIVE ACTIONS LOBBIED THIS QUARTER

☐ If more space is needed, check box and attach continuation sheets.

SUMMARY OF PAYMENTS THIS PERIOD

A. Total Payments to In-House Employee Lobbyists (Part III, Section A, Column 1)	$	0.00
B. Total Payments to Lobbying Firms (Part III, Section B, Column 4)	$	85212.16
C. Total Activity Expenses (Part III, Section C)	$	0.00
D. Total Other Payments to Influence (Part III, Section D)	$	53112.14
GRAND TOTAL (A + B + C + D above)	$	138324.30
E. Total Payments in Connection with PUC Activities (Part III, Section E)	$	0.00

F. Campaign Contributions: ☐ Part IV completed and attached ☒ No campaign contributions made this period

VERIFICATION

I have used all reasonable diligence in preparing this Report. I have reviewed the Report and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (Date)	At (City and State)	By (Signature of Employer or Responsible Officer)
01/31/2026	San Rafael,CA	KIRA M. SIMON

Name of Employer or Responsible Officer (Type or Print)	Title
KIRA M. SIMON	ATTORNEY & AGENT FOR FILER

PERIOD COVERED: 10/01/2025 12/31/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

PART II - PARTNERS, OWNERS, AND EMPLOYEES WHOSE "LOBBYIST REPORTS" (FORM 615) ARE ATTACHED TO THIS REPORT (See instructions on reverse.)

Name and Title	Name and Title

☐ If more space is needed, check box and attach continuation sheets.

PART III - PAYMENTS MADE IN CONNECTION WITH LOBBYING ACTIVITIES

A. PAYMENTS TO IN-HOUSE EMPLOYEE LOBBYISTS
(See instructions on reverse. Also enter the Amount This Period (Column 1) on Line A of the Summary of Payments section on page 1.)

(1) Amount This Period	(2) Cumulative Total To Date
$ 0.00	$ 0.00

B. PAYMENTS TO LOBBYING FIRMS (Including Individual Contract Lobbyists)

Name and Address of Lobbying Firm/Independent Contractor	(1) Fees & Retainers	(2) Reimbursements of Expenses	(3) Advances or Other Payments (attach explanation)	(4) Total This Period	(5) Cumulative Total to Date
NIELSEN MERKSAMER PARRINELLO GROSS & LEONI LLP SACRAMENTO, CA 95814	85092.53	119.63	0.00	85212.16	85212.16

☐ If more space is needed, check box and attach continuation sheets

TOTAL THIS PERIOD (Column 4)
Also enter the total of Column 4 on Line B of the Summary of Payments section on page 1.

$ 85212.16

PERIOD COVERED: 10/01/2025 12/31/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

C. ACTIVITY EXPENSES (See instructions on reverse.)

Date	Name and Address of Payee	Name and Official Position of Reportable Persons and Amount Benefiting Each		Description of Consideration	Total Amount of Activity
			$		$

☐ If more space is needed, check box and attach continuation sheets.

TOTAL SECTION C (Activity Expenses) Also enter the total of Section C on Line C of the Summary of Payments section on page 1. $ 0.00

D. OTHER PAYMENTS TO INFLUENCE LEGISLATIVE OR ADMINISTRATIVE ACTION

☒ NOTE: State and local government agencies do not complete this section. Check box and complete Attachment Form 640 instead.

1. PAYMENTS TO LOBBYING COALITIONS (NOTE: You must attach a completed Form 630 to this Report.) $ 0.00

2. OTHER PAYMENTS $ 53112.14

TOTAL SECTION D (1 + 2) Also enter the total of Section D on Line D of the Summary of Payments section on page 1. $ 53112.14

E. PAYMENTS IN CONNECTION WITH ADMINISTRATIVE TESTIMONY IN RATEMAKING PROCEEDINGS BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION Also, enter the total of Section E on Line E of the Summary of Payments section on page 1. (See instructions on reverse.) $ 0.00

PERIOD COVERED: 10/01/2025 12/31/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

PART IV -- CAMPAIGN CONTRIBUTIONS MADE (Monetary and non-monetary campaign contributions of $100 or more made to or on behalf of state candidates, elected state officers and any of their controlled committees, or committees supporting such candidates or officers must be reported in A or B below.)

A. If the contributions made by you during the period covered by this report, or by a committee you sponsor, are contained in a campaign disclosure statement which is on file with the Secretary of State, report the name of the committee and its identification number, if any, below.

Name of Major Donor or Recipient Committee Which Has Filed A Campaign Disclosure Statement:

Identification Number if Recipient Committee:

B. Contributions of $100 or more which have not been reported on a campaign disclosure statement, including contributions made by an organization's sponsored committee, must be itemized below.

Date	Name of Recipient	I.D. Number if Committee	Amount
			$
			$
			$
			$
			$
			$
			$
			$
			$
			$

☐ If more space is needed, check box and attach continuation sheets.

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

Attachment Form 640

(Attachment to Form 635 or Form 645)

CALIFORNIA 1993 FORM **640**

5/6

PERIOD COVERED: 10/01/2025 -- 12/31/2025

NAME OF FILER: COALITION FOR AI NONPROFIT INTEGRITY

For Use By: A state or local government agency that qualifies as a lobbyist employer or a $5,000 filer. Refer to the instructions on the cover page before completing this attachment.

Other Payments to Influence Legislative or Administrative Action:

1.	Total payments for overhead expenses related to lobbying activity. Report as a lump sum.	$ 0.00
2.	Total payments to Lobbying Coalitions. Report as a lump sum. ..... (Form 630 must be attached)	$ 0.00
3.	Total payments of less than $250 during the calendar quarter for lobbying activity (excluding overhead). Report as a lump sum.	$ 1400.00
4.	Total payments of more than $250 during the calendar quarter for lobbying activity (excluding overhead). Such payments must be itemized below.	$ 51712.14
5.	Grand total of "Other Payments to Influence Legislative or Administrative Action." Also enter this total on the appropriate line of the Summary of Payments section on Page 1 of Form 635 or Form 645.	$ 53112.14

Itemize below payments of $250 or more made during the quarter for lobbying activity. Provide the name and address of the payee, the amount paid during the quarter, and the cumulative amount paid to the payee since January 1 of the biennial legislative session covered by the report.

Also itemize dues or similar payments of $250 or more made to an organization that makes expenditures equal to 10% of its total expenditures or $15,000 or more in a calendar quarter to influence legislative or administrative action. Provide the organization's name and address, the amount paid to the organization during the quarter, and the cumulative amount paid to the organization since January 1 of the biennial legislative session covered by the report.

Name & Address of Payee	Amount This Quarter	Cumulative Amount Since January 1
[P] - ELEVATE PUBLIC AFFAIRS,LLC LOS ANGELES CA 90025	$ 51712.14	$ 51712.14
	$	$
	$	$
Subtotal of all payments itemized above	$ 51712.14	

☐ If more space is needed, check box and attach continuation sheets.

TEXT ANNOTATION

PAGE 2

Schedule F635P3B **Reference No:** 28107

PAYMENT FOR Q1 AND Q2 2025. TERMINATED 12/1/2025

CAL2PDF Version3.8

EXHIBIT G

October 17, 2025 Letter from
Ann O'Leary to Mr. Chance Felkins

Ann M. O'Leary
Tel +1 415 293 5942
AOLeary@jenner.com

October 17, 2025

VIA EMAIL

Chance Felkins
Commission Counsel
Fair Political Practices Commission
1102 Q Street, Suite 3050
Sacramento, CA 95811

Re: FPPC Complaint No. COM-07072025-02059; Jeffrey Mark Gardner, Joel Aurora, Kira Simon

Dear Mr. Felkins,

Thank you for taking the time to meet with us on Wednesday, September 3, to discuss the Fair Political Practice Commission's ("FPPC") decision regarding OpenAI's above-referenced sworn complaint. During the meeting, we discussed the FPPC's review of OpenAI's claim that the Coalition for AI Nonprofit Integrity ("CANI") has violated the Political Reform Act by failing to timely report lobbying payments made to its lobbying firm, Nielsen Merksamer. You noted that, in response to OpenAI's complaint, Nielsen Merksamer confirmed that it *did* lobby for the passage of AB 501 on CANI's behalf, but that the firm has yet to receive payment from CANI for this lobbying. You indicated that it was your understanding that CANI has been unable to raise sufficient funds to pay for the lobbying expenses it commissioned. Absent an additional showing that Nielsen Merksamer has, in fact, received payment,[1] you concluded that CANI's lobbying disclosures, at present, comply with the Political Reform Act.

As I mentioned, this conclusion raises important public policy concerns about whether the present lobbying disclosure requirements are sufficient. If payments are required to be reported only when they are *received*, rather than when the expenses are *incurred* (as is common in campaign finance reporting, a fact you pointed out), lobbyist employers like CANI could choose to withhold payments for long periods of time in an effort to conceal their lobbying expenses. Indeed, absent a deadline to report those lobbying expenses actually incurred, we may never know the amount of lobbying resources that CANI commissioned in favor of AB 501. Although Californians are entitled to know that lobbying has occurred in the first place, it is equally important that they be able to assess the amounts of money spent on that lobbying. OpenAI would urge the FPPC to consider adopting regulations or supporting legislation intended to fix

[1] As noted in OpenAI's complaint, recent publicly available Nielsen Merksamer engagement letters suggest that the firm commonly charges a first-month retainer, which is "due prior to the commencement of legal services." Complaint at 6 (citing Ex. K).

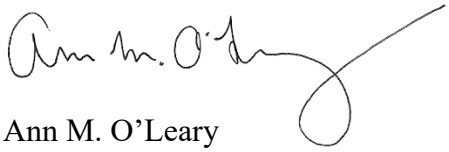
this loophole and further the public's interest in transparency with respect to efforts to influence our political process.

We also discussed the claim that CANI has filed intentionally misleading information with the FPPC in the form of a fictious organization leader and signatory. You noted that the bar to political participation in California is quite low, and that the Secretary of State requires limited information to form an organization that can engage in lobbying. To be clear, OpenAI firmly supports enhancing public participation in the political process and lowering barriers to entry to do so. The concern raised in OpenAI's complaint, however, is that organizations (like CANI) could take advantage of these low barriers to entry in a way that undermines transparency into their actions and operations.

OpenAI maintains that Jeffrey Gardner, CANI's ostensible leader, is only its leader on paper. You noted in our conversation OpenAI's complaint had, in fact, supported that Mr. Gardner was the President of CANI because when OpenAI reached Mr. Gardner, the LSAT instructor and part-time attorney in New York, he admitted that he was the President of CANI. This admission notwithstanding, Mr. Gardner has no evident history or expertise in nonprofits, technology, or artificial intelligence and, indeed, no evident experience ever advocating for any public policy and no material connection to California at all. More likely, someone else is leading CANI, and Mr. Gardner's name has been used to avoid scrutiny of the organization's true leadership. We understand that the FPPC's position is that OpenAI would have to conduct its own investigation to prove that someone other than Mr. Gardner is acting as the true leader of CANI. As OpenAI argued, submitting false information to the FPPC or any other staff officer or agency official violates the Political Reform Act. While we appreciate that the arguments presented on this claim are "novel" in the FPPC's history, the tactics used by CANI may be novel as well. Investigating CANI's activities would help to ensure that the Act can be "vigorously enforced," as the Legislature intended. Cal. Gov. Code § 81002(f).

We appreciate the Commission's careful analysis and attention, and we look forward to continuing to engage with the Commission on this matter.

Sincerely,



Ann M. O'Leary
Partner
Jenner & Block LLP
Counsel to OpenAI

CC: Christopher B. Burton, Assistant Chief, Enforcement Division
Vanessa Greer, Political Reform Consultant

EXHIBIT H

California AI Worker Protection Act,
Initiative No. 25-0034 (December 1, 2025 draft)

Initiative 25-0034

December 1, 2025

VIA HAND DELIVERY

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
1300 "I" Street, 17th Floor
Sacramento, CA 95814

Re:California AI Worker Protection Act

To The Initiative Coordinator:

I am submitting the enclosed initiative measure, titled the "California AI Worker Protection Act," and respectfully asking that the Attorney General draft a circulating title and summary as required under Elections Code section 9001(a). Enclosed you will find the measure text, a $2,000.00 check, and the certifications specified in Elections Code sections 9001(b) and 9608.

For any questions or correspondence about this measure, please contact:

Alexander Oldham
1201 Brickyard Cove Way #218
Point Richmond, CA 94801
Phone: 510 685-7847
Email: californiaaiact@proton.me

Sincerely,

Alexander Oldham

Enclosures

THE CALIFORNIA AI WORKER PROTECTION ACT

SECTION 1. TITLE AND PURPOSE

This measure shall be known as the "California AI Worker Protection Act." Its purpose is to ensure that artificial intelligence development benefits California residents by sharing the economic benefits with displaced workers and the public, maintaining human control over AI systems, and preventing dangerous concentration of power—while enabling continued innovation through competitive market dynamics rather than prescriptive mandates.

SECTION 2. DEFINITIONS

(a) "AI Company" means any entity that develops or deploys Covered AI Systems and satisfies both of the following:

(1) Maintains exclusive control over AI systems with demonstrated capabilities meeting or exceeding the capability threshold established by Commission regulation, which threshold shall be set at the level at which AI systems can perform complex cognitive work across multiple professional domains at or above median human expert performance; and

(2) Satisfies one or more of the following: is incorporated in California; maintains principal AI research operations in California; employs more than one hundred individuals in California whose primary work involves AI; or derives more than one hundred million dollars in annual revenue from California users or customers.

(b) "Covered AI System" means an AI system over which the entity maintains exclusive operational control, including control over model weights, deployment, and the ability to modify, retrain, or shut down the system. An AI system is not a Covered AI System if its model weights have been released to the public under an open license permitting unrestricted use, modification, and redistribution.

(c) "Public Benefit AI Company" means an AI Company that (1) is currently organized as a public benefit corporation, nonprofit corporation, or equivalent form with governing documents stating purposes including benefiting humanity or the public interest; (2) was so organized at any time on or after January 1, 2020, regardless of subsequent conversion; or (3) is controlled by or contractually obligated to such an entity. Marketing materials, press releases, and general public statements do not alone establish Public Benefit AI Company status.

(d) "Capability Expansion" means any action that materially increases the capabilities of an AI Company's Covered AI Systems, including: deploying systems demonstrating materially greater cognitive capabilities than previously deployed systems; materially increasing the capacity for autonomous operation, self-directed action, or operation without human oversight; or materially increasing the scale at which AI systems can be deployed to users or operated simultaneously. Capability Expansion is measured by the demonstrated capabilities and deployment scale of AI systems, not by computational infrastructure.

(e) "Protection Plan" means the plan required by Section 4 demonstrating commitments to the three Protection Objectives.

(f) "Covered Executive" means any chief executive officer, chief technology officer, or equivalent; any director or trustee; any holder of more than five percent ownership; or any person with practical ability to direct the AI Company's decisions regarding AI development or deployment.

(g) "Commission" means the California AI Safety Commission established by Section 6.

SECTION 3. REGISTRATION

(a) Registration Required. Every AI Company shall register with the Commission within ninety days of this Act taking effect or within sixty days of becoming an AI Company, whichever is later.

(b) Contents. Registration shall include corporate structure and governance, current AI system capabilities and deployment scale, Protection Plan, and for Public Benefit AI Companies, copies of governing documents containing public benefit commitments.

(c) Continuation of Operations. Upon filing complete registration with a facially adequate Protection Plan, an AI Company may continue operations and engage in Capability Expansion unless and until the Commission determines its Protection Plan is materially inadequate as provided in Section 5.

SECTION 4. PROTECTION PLANS AND THE THREE OBJECTIVES

(a) Protection Plan Required. Every AI Company shall maintain a Protection Plan demonstrating credible commitment to the three Protection Objectives. Plans shall be public except for information entitled to trade secret protection, and shall be updated annually and upon any application for Capability Expansion.

(b) The Three Protection Objectives:

(1) PUBLIC BENEFIT. AI Companies shall demonstrate meaningful commitment to ensuring displaced workers and the public share in the benefits of AI capabilities. Commitments shall scale with Capability Expansion such that increased AI capability yields increased public benefit. Companies may propose any means of fulfilling this objective—including but not limited to direct services, capacity sharing, public access programs, displaced worker support, or novel approaches not yet conceived—and the Commission shall evaluate plans comparatively based on credibility and demonstrated or projected effectiveness, not adherence to prescribed methods.

(2) SAFETY AND HUMAN CONTROL. AI Companies shall maintain effective means by which authorized humans can monitor the behavior of, interpret the actions of, intervene in the operation of, and if necessary shut down Covered AI Systems. This includes mechanisms preventing unauthorized increases in capability, self-directed capability enhancement, and acquisition of resources or influence beyond authorized scope. AI Companies shall conduct pre-deployment evaluation before Capability Expansion and shall halt expansion if such evaluation does not demonstrate acceptable risk levels.

(3) DISTRIBUTED GOVERNANCE. No single individual shall have unilateral authority to direct Covered AI System capabilities toward any purpose, override or circumvent safety mechanisms, prevent oversight by the board or Commission, or authorize Capability Expansion. Authority over AI development and deployment shall be distributed among

multiple independent decision-makers, each with genuine ability to block actions posing material risk. Governance structures shall include succession mechanisms ensuring that departure, incapacity, or death of any individual does not result in concentration of control.

(c) Comparative Evaluation. The Commission shall evaluate Protection Plans comparatively—assessing each company's commitments relative to what others in the industry demonstrate is feasible. Companies whose plans meet or exceed the standards demonstrated by industry leaders may expand freely. Companies whose plans fall materially below demonstrated feasible standards may be slowed to allow leaders to advance first, creating competitive pressure for continuous improvement.

(d) Public Benefit AI Company Accountability. Public Benefit AI Companies shall additionally demonstrate continued fulfillment of commitments made in their governing documents. Material departure from such commitments without Commission approval constitutes inadequacy.

SECTION 5. CAPABILITY EXPANSION

(a) Default Expansion. AI Companies may engage in Capability Expansion without prior approval. The Commission's role is not to gatekeep expansion but to ensure that companies with inadequate Protection Plans do not outpace companies with superior plans.

(b) Competitive Standard. If the Commission determines that an AI Company's Protection Plan is materially inadequate relative to plans of other AI Companies, it may slow that company's Capability Expansion to allow competitors with superior plans to advance first. The Commission shall not hold all companies to the lowest common denominator; rather, it shall use competitive pressure to drive all companies toward the standards demonstrated by industry leaders.

(c) Response to Inadequacy. When slowing an AI Company's Capability Expansion, the Commission shall specify the deficiencies rendering the Protection Plan inadequate and identify which competitors' practices demonstrate feasible superior approaches. The slowed company may resume normal expansion upon remedying the identified deficiencies. Slowing does not require the company to halt current operations, only to delay further expansion until its plan improves.

(d) Suspension for Serious Risk. Notwithstanding subdivisions (a) through (c), the Commission may suspend an AI Company's Capability Expansion entirely, or require reduction of current operations, upon finding that the company's operations create material risk of: catastrophic harm to California residents; loss of human control over AI systems; or dangerous concentration of power inconsistent with the Distributed Governance objective. Suspension requires specific findings and is subject to expedited judicial review.

(e) Rapid Capability Advancement. If any AI system demonstrates a discontinuous increase in capabilities—such as substantial self-improvement, autonomous completion of complex professional work, or extended autonomous operation—the Commission may require all AI Companies to submit supplemental Protection Plans and may impose temporary conditions pending assessment. Such conditions shall be narrowly tailored and shall not extend beyond sixty days without renewed findings.

(f) Emergency Authority. Upon substantial evidence of clear and present danger of catastrophic harm, imminent loss of human control, active concentration of unauthorized control by a Covered Executive, or use of AI systems to manipulate California elections or democratic institutions, the Commission may issue emergency orders taking immediate effect. Affected parties may seek expedited judicial review, but operations shall remain suspended pending review unless the court orders otherwise.

SECTION 6. CALIFORNIA AI SAFETY COMMISSION

(a) Establishment and Powers. The California AI Safety Commission is established as an independent body with authority to: register AI Companies and issue Capability Licenses; evaluate Protection Plans; approve, condition, or deny Capability Expansion; adjudicate challenges; certify monitors; impose civil penalties; adopt implementing regulations; subpoena evidence; conduct audits; coordinate with federal and international authorities; and take all actions necessary to implement this Act.

(b) Composition. Seven commissioners with demonstrated expertise in AI technology, AI safety, labor economics, workforce policy, corporate governance, or technology policy.

(c) Independence Requirements. No commissioner may: have current employment, consulting, or compensation relationship with any AI Company; have had such relationship within the preceding five years; hold financial interests exceeding fifty thousand dollars in any AI Company, excluding diversified funds; or have an immediate family member who is a Covered Executive. Commissioners shall fully disclose all potential conflicts and recuse themselves from matters creating direct conflicts.

(d) Selection. The Attorney General shall maintain an Expert Pool of qualified individuals screened for expertise and independence. When vacancies arise, a Selection Committee of seven persons randomly drawn from the Expert Pool shall select commissioners by majority vote. Expert Pool criteria shall be established by regulation, shall require demonstrated expertise and absence of disqualifying conflicts, and shall be designed to prevent industry capture of the nomination process.

(e) Post-Service Restrictions. For five years following service, former commissioners shall not accept employment with, or compensation exceeding ten thousand dollars from, any AI Company, and shall not represent any AI Company before the Commission.

(f) Commission Access. Every AI Company shall implement technical infrastructure enabling the Commission to monitor AI system operations and capabilities, receive automated alerts upon material capability changes or anomalous behavior, and in emergencies, intervene in system operation. Such infrastructure shall be designed so that intervention capability cannot be disabled without Commission detection.

(g) Funding. The Commission shall be funded by annual assessment on AI Companies, apportioned by California-derived revenue, not exceeding one-half of one percent of such revenue. All assessments and penalties shall be deposited in the California AI Safety Fund and used exclusively for Commission operations. No General Fund impact.

(h) Federal Coordination. The Commission shall coordinate with federal agencies exercising authority over AI development. To the extent federal law expressly preempts any provision

of this Act, the remainder shall continue in full effect, and the Commission shall exercise all authority not preempted.

SECTION 7. COMPETITIVE MONITORING

(a) Purpose. This section establishes competitive monitoring through which AI Companies and independent monitors evaluate each other's Protection Plans and compliance, creating enforcement that scales with AI capabilities.

(b) Who May Challenge. Any registered AI Company or Commission-certified independent monitor may challenge any AI Company's Protection Plan or compliance therewith.

(c) Operational Transparency. AI Companies shall provide designated Challenge Teams access to operational information, safety mechanisms, governance records, and public benefit activities sufficient to evaluate Protection Plan compliance. Access may not be refused on grounds of competitive sensitivity, except for information entitled to trade secret protection under procedures established by Commission regulation.

(d) Clean Room Requirements. Challenge Teams shall be completely separated from research and development operations, with no shared personnel, no substantive communication between teams, and minimum three-year waiting period before Challenge Team members may move to R&D positions. Information accessed may be used only for identifying compliance deficiencies and filing challenges. The Commission shall certify Challenge Teams before granting access and shall audit compliance with separation requirements.

(e) Challenge Procedure. Challenges shall be filed with the Commission, accompanied by a filing fee set by regulation at a level sufficient to deter frivolous filings. A challenge shall identify specific deficiencies and supporting evidence. The Commission shall dismiss facially deficient challenges within twenty days or accept for adjudication. The challenged company shall respond within forty-five days. The Commission shall issue determination within ninety days of response.

(f) Remedies for Sustained Challenges. If a challenge is sustained, the challenged company shall, within the time specified by the Commission: remedy the deficiency and pay a penalty scaled to implementation cost; or suspend Capability Expansion until the deficiency is remedied. For deficiencies creating material risk of catastrophic harm, loss of human control, or dangerous power concentration, suspension is mandatory regardless of remedy elected.

(g) Challenger Awards. Successful challengers shall receive an award equal to the greater of: the filing fee plus reasonable costs of preparing the challenge; or twenty-five percent of any penalty assessed, up to a maximum of fifty million dollars. Filing fees shall be refunded for successful challenges and forfeited for unsuccessful challenges, provided that fees shall be refunded for unsuccessful challenges that the Commission determines were filed in good faith and presented substantial questions.

(h) Anti-Abuse Provisions. The Commission may impose sanctions including monetary penalties and temporary or permanent disqualification from filing challenges against any challenger that files frivolous challenges, abuses the challenge process, or engages in a pattern of challenges designed to burden competitors rather than identify genuine deficiencies. No entity may file more than three challenges against the same AI Company in any twelve-month period absent Commission authorization.

(i) Anti-Collusion. Any agreement between AI Companies to refrain from filing challenges, limit the scope or vigor of challenges, or otherwise suppress competitive monitoring is prohibited. Violation is punishable by civil penalty up to the greater of five hundred million dollars or twenty-five percent of annual revenue, and for individuals knowingly participating, imprisonment up to ten years.

(j) Clean Room Violations. Breach of clean room requirements—including use of accessed information for competitive advantage, communication of substantive information to R&D personnel, or reverse engineering of competitor technology—shall result in: permanent disqualification from the challenge system; civil penalty of one hundred million dollars per trade secret or proprietary item misused, plus disgorgement of all benefits obtained; and for knowing violations, criminal prosecution under Section 8(b).

SECTION 8. ENFORCEMENT

(a) Civil Penalties. The Commission or Attorney General may impose or seek civil penalties as follows: engaging in Capability Expansion while subject to Commission slowing or suspension order, up to twenty percent of annual gross revenue; material misrepresentation to the Commission, up to ten percent of annual revenue; failure to implement Commission access infrastructure, up to ten percent of annual revenue; failure to file required reports or Protection Plan updates, fifty thousand dollars per day; other violations, up to one hundred million dollars. Each day of continuing violation is a separate offense. Covered Executives who knowingly cause or knowingly fail to prevent violations when they had authority and duty to do so are personally liable for up to five million dollars per violation and disgorgement of compensation received during the violation period.

(b) Criminal Penalties. The following specific acts, when done knowingly, are felonies: engaging in Capability Expansion while subject to Commission suspension order, punishable by two to six years imprisonment; making materially false statements to the Commission regarding system capabilities, safety mechanisms, or governance, punishable by two to six years; destroying, altering, or concealing evidence relevant to Commission investigation, punishable by two to six years; disabling or circumventing Commission access infrastructure, punishable by two to six years; knowingly breaching clean room requirements for purpose of competitive advantage, punishable by two to six years; using Covered AI Systems to manipulate California elections, government officials, or democratic institutions, punishable by five to fifteen years. Fines up to ten million dollars or total compensation received from any AI Company during the violation period, whichever is greater, may be imposed in addition to imprisonment.

(c) Private Enforcement. Any California resident, any current or former AI Company employee, any person who donated to a Public Benefit AI Company in reliance on public benefit commitments, or any nonprofit organization with mission related to AI safety, worker protection, or public interest, may bring civil action for declaratory relief, injunctive relief, and statutory damages. Statutory damages shall be not less than one hundred thousand dollars and not more than ten million dollars per violation, trebled for knowing violations. Prevailing plaintiffs shall recover reasonable attorney's fees; prevailing defendants shall not recover fees unless the action was frivolous.

(d) Whistleblower Protections. No person shall retaliate against any individual for reporting potential violations, participating in investigations, testifying before the Commission, or bringing actions under this Act. Persons suffering retaliation may recover compensatory and

punitive damages, reinstatement, back pay, and attorney's fees. Whistleblowers providing original information leading to successful enforcement resulting in penalties exceeding one million dollars shall receive fifteen to thirty percent of penalties collected.

SECTION 9. JURISDICTION

(a) Basis of Jurisdiction. California's jurisdiction under this Act is based on the substantial and legitimate state interest in protecting California residents, workers, consumers, and democratic institutions from foreseeable harms arising from AI systems deployed to California users or developed by companies with substantial California presence. This Act regulates the deployment and capabilities of AI systems affecting California, not the location of physical infrastructure.

(b) Continuing Jurisdiction. An AI Company that has registered with the Commission remains subject to this Act so long as it: deploys Covered AI Systems to California users; employs more than fifty persons in California; derives more than fifty million dollars in annual revenue from California; or executed consent to jurisdiction upon registration that has not been released by the Commission.

(c) Consent to Jurisdiction. As a condition of registration, every AI Company and its Covered Executives shall execute consent to California jurisdiction for matters arising under this Act. Such consent is binding on successors and may not be withdrawn without Commission release, which shall be granted only upon demonstration that no basis for jurisdiction under subdivision (b) remains.

(d) Notice of Material Changes. AI Companies shall provide the Commission ninety days advance notice of: relocation of headquarters from California; change of state of incorporation from California; transfer of more than twenty-five percent of California employees to other locations within any twelve-month period; or transfer of material intellectual property or AI assets to entities not subject to this Act. The Commission may condition such changes on measures ensuring continued protection of California residents.

(e) Evasion. If the Commission determines that a transaction or restructuring is designed primarily to evade the requirements of this Act while continuing to serve California users or benefit from California presence, the Commission may: disregard the transaction for purposes of determining jurisdiction; impose conditions on continued California operations; or refer the matter to the Attorney General. Transactions undertaken after public notice of this initiative and before its effective date that would reduce California jurisdiction are presumed evasive absent clear and convincing evidence of independent business purpose.

(f) Public Benefit Commitments. A Public Benefit AI Company shall not abandon or materially depart from commitments stated in its governing documents without Commission approval. Any conversion from public benefit or nonprofit form shall require Commission review and may be conditioned on measures ensuring continued accountability to original commitments, which may include retained governance rights for predecessor entities.

SECTION 10. GENERAL PROVISIONS

(a) Severability. If any provision is held invalid, the remainder continues in full effect. The three Protection Objectives are independent and severable. The competitive challenge system and Commission enforcement are independent and severable. Civil and criminal enforcement

are independent and severable. The People of California declare they would have adopted this Act regardless of whether any provision is found invalid, and intend maximum enforcement of all provisions not specifically invalidated.

(b) Construction. This Act shall be liberally construed to effectuate its purposes. It supplements existing authority of the Attorney General over charitable trusts, public benefit corporations, and consumer protection. Remedies are cumulative.

(c) Rulemaking. The Commission shall adopt regulations implementing this Act, including: capability thresholds triggering AI Company status; procedures for registration, licensing, challenges, and enforcement; technical standards for Commission access infrastructure; criteria for Expert Pool qualification; and all other matters necessary for implementation. Regulations shall provide public notice and opportunity for comment but are not subject to Office of Administrative Law review.

(d) Amendment. This Act may be amended by statute passed by two-thirds vote of each house of the Legislature to further its purposes. No amendment that narrows the definition of AI Company, weakens enforcement, reduces Commission authority, limits private enforcement rights, or weakens public benefit accountability shall take effect without voter approval.

(e) Effective Date and Implementation. This Act takes effect the day following voter approval. The Commission shall be operational within one hundred eighty days. Until the Commission is operational, the Attorney General shall receive registrations and may stay any Capability Expansion posing immediate risk to California residents.

EXHIBIT I

California Public Benefit AI Accountability Act, Initiative No. 25-0033 (December 1, 2025 draft)

Initiative 25-0033

December 1, 2025

VIA HAND DELIVERY

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
1300 "I" Street, 17th Floor
Sacramento, CA 95814

Re:California Public Benefit AI Accountability Act

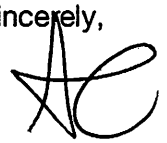
To The Initiative Coordinator:

I am submitting the enclosed initiative measure, titled the "California Public Benefit AI Accountability Act," and respectfully asking that the Attorney General draft a circulating title and summary as required under Elections Code section 9001(a). Enclosed you will find the measure text, a $2,000.00 check, and the certifications specified in Elections Code sections 9001(b) and 9608.

For any questions or correspondence about this measure, please contact:

Alexander Oldham
1201 Brickyard Cove Way #218
Point Richmond, CA 94801
Phone: 510 685-7847
Email: californiaaiact@proton.me

Sincerely,



Alexander Oldham

Enclosures

THE CALIFORNIA PUBLIC BENEFIT AI ACCOUNTABILITY ACT

ARTICLE 1. GENERAL PROVISIONS

Section 1. Title and Purpose

This Act shall be known as the "California Public Benefit AI Accountability Act." Its purpose is to ensure that artificial intelligence companies that voluntarily committed to benefit humanity are held to those commitments.

Section 2. Findings

The People of California find:

(a) Certain AI companies voluntarily organized as public benefit corporations or nonprofits, explicitly committing to benefit humanity. These voluntary commitments create enforceable obligations.
(b) AI companies are accumulating unprecedented productive capacity. Companies that promised to benefit humanity while accumulating such power must be held accountable to those promises.
(c) AI systems capable of displacing human workers can also serve those workers. Companies profiting from automation bear responsibility to direct productive capacity toward human benefit.
(d) Unchecked AI development risks concentrating control over civilization's productive capacity in few hands, threatening democratic governance.
(e) California, as the global center of AI development, has both authority and responsibility to ensure these commitments are honored while leverage remains.

Section 3. Definitions

"Public Benefit AI Company" means any entity that:

(1) Develops or operates AI systems;
(2) Has expended cumulatively more than one billion dollars on computational resources for AI, as determined by the Commission based on publicly available information, financial disclosures, or investigation;
(3) Has California Nexus; and
(4) Is or was organized as a public benefit corporation or nonprofit with purposes including benefiting humanity, or made equivalent binding public commitments in governing documents, or is a successor to such an entity.

"California Nexus" means the entity is incorporated in California, was registered with the California Attorney General as a charitable organization, maintains headquarters or principal AI research operations in California, employs fifty or more persons in California primarily engaged in AI research, development, or operations, or is a successor to such an entity.

"Expansion" means materially increasing computational capacity for AI, AI system capabilities or intelligence, the number of AI agents operating simultaneously, capacity for autonomous operation, physical AI infrastructure, or the scope of AI operations. "Material" means an increase of ten percent or more in any such metric, or any increase the Commission determines is substantial in context.

"Mission Commitment" means any statement in governing documents, regulatory filings, official communications, or materials used to solicit donations, investments, or talent describing the organization's commitment to benefit humanity or serve the public interest.

"Public Benefit Plan" means a plan demonstrating how a Public Benefit AI Company will fulfill its Mission Commitments, as required under Article 4.

"Benefit Encumbrance" means the permanent obligation to use capabilities in accordance with Mission Commitments, which attaches to all assets of a Public Benefit AI Company and follows them regardless of transfer.

"Executive" means any officer, director, founder, controlling shareholder, or person with significant management authority over a Public Benefit AI Company.

"Prevailing Standard" means, for each objective in Section 7, the approach the Commission determines best achieves that objective, whether established by a company's Public Benefit Plan or a Public Proposal.

ARTICLE 2. BENEFIT ENCUMBRANCE

Section 4. Creation and Effect

(1) All assets and capabilities of a Public Benefit AI Company carry a permanent Benefit Encumbrance in favor of the People of California.

(2) The encumbrance arises by operation of law when an entity becomes a Public Benefit AI Company, runs with all assets, binds all successors and transferees whether or not they had actual notice, requires use consistent with Mission Commitments, and cannot be released except by Commission approval.

(3) The Commission or Attorney General may record notice of Benefit Encumbrance with respect to any real property, intellectual property, or registered asset. Recording constitutes constructive notice. Failure to record does not affect validity.

(4) Any use of assets in violation of the Benefit Encumbrance subjects the holder to injunctive relief, constructive trust over proceeds, and all other remedies under this Act.

ARTICLE 3. COMMISSION

Section 5. Establishment and Composition

(1) The California Public Benefit AI Accountability Commission is established as an independent body within the Department of Justice.

(2) The Commission shall consist of seven members. Within sixty days of this Act's effective date, the Attorney General shall appoint two members who are distinguished scientists or academics with demonstrated AI expertise and who are not employed by any Public Benefit AI Company. Within sixty days thereafter, those members shall select three additional members with expertise in labor economics, corporate governance, and AI safety respectively. Within sixty days thereafter, the Commission shall select two members through public competition based on submitted proposals for AI accountability.

(3) No member may be currently employed by, or have been employed within two years by, any Public Benefit AI Company. Members serve four-year terms with compensation set by the Commission at a level sufficient to attract qualified candidates.

(4) If any appointment deadline passes without appointment, the next authorized appointer in sequence shall make the appointment. If no appointments are made within one hundred eighty days, the Attorney General shall appoint all remaining members.

Section 6. Powers

The Commission shall have authority to:

(A) Evaluate and compare Public Benefit Plans and determine which best achieve statutory objectives;

(B) Grant, condition, or deny Expansion approval;

(C) Investigate, audit, and compel production of documents from Public Benefit AI Companies;

(D) Review and approve material transactions, asset transfers exceeding ten million dollars, and equity issuances;

(E) Require removal of Executives acting materially inconsistent with Mission Commitments, after notice and hearing;

(F) Issue binding operational directives and, upon finding imminent risk to public safety or imminent material violation, emergency orders subject to expedited judicial review;

(G) Adopt regulations implementing this Act;

(H) Impose penalties and refer matters for prosecution; and

(I) Certify programs eligible to receive resources under this Act based on demonstrated capacity to serve displaced workers or contribute to public benefit.

ARTICLE 4. PUBLIC BENEFIT PLANS

Section 7. Requirements

(1) Each Public Benefit AI Company shall file a Public Benefit Plan within ninety days of this Act's effective date or within sixty days of becoming a Public Benefit AI Company, and shall operate in accordance with a Commission-approved plan.

(2) Each plan shall address four objectives:

(A) **Human Benefit** [Minimum weight: 30%]: Concrete, verifiable programs serving displaced workers and the public through AI capabilities, including dedication of computational capacity to public benefit programs and commitments that scale proportionally with any Expansion;

(B) **Safety and Human Control** [Minimum weight: 20%]: Mechanisms ensuring humans retain meaningful control over AI systems as capabilities scale, including override capabilities resistant to circumvention, containment measures, safety testing before Expansion, and technical infrastructure enabling Commission monitoring;

(C) **Prevention of Power Concentration** [Minimum weight: 20%]: Governance mechanisms preventing dangerous concentration of control over AI capabilities, including constraints ensuring no individual may unilaterally direct AI capabilities or override safety mechanisms, distributed decision-making authority, and board independence; and

(D) **Mission Fidelity** [Minimum weight: 5%]: Demonstrated alignment between current operations and stated Mission Commitments.

(3) The Commission shall establish by regulation the specific weights within these floors, evaluation criteria, and reporting requirements.

(4) **Failure to File.** A Public Benefit AI Company that fails to timely file a Public Benefit Plan may not undertake any Expansion and shall be subject to civil penalties of one hundred thousand dollars per day until a plan is filed.

Section 8. Comparative Evaluation and Compliance

(1) The Commission shall evaluate Public Benefit Plans comparatively. The approach best achieving each objective, whether from a company plan or Public Proposal, establishes the Prevailing Standard for that objective.

(2) A company whose plan the Commission determines is materially inferior to the Prevailing Standard on any objective shall either improve its plan to meet the standard or satisfy a Compliance Gap Obligation.

(3) **Compliance Gap Obligation.** The obligation equals the value of the commitment difference between the company's plan and the Prevailing Standard, as determined by the Commission based on computational capacity gaps, service delivery gaps, and resource allocation gaps, multiplied by 1.5 for first determinations, 2.0 for second determinations within three years, and 2.5 for subsequent determinations within three years.

(4) **Satisfaction Options.** A company may satisfy a Compliance Gap Obligation through any of the following, at its election:

(A) Cash payment to the Commission fund;

(B) Provision of computational capacity, at cost of operation and meeting quality standards set by Commission regulation, to certified public benefit programs, in value equal to the obligation; or

(C) Adoption of the Prevailing Standard approach within thirty days and payment of twenty-five percent of the calculated obligation.

(5) **Procedural Rights.** Before any determination of material inferiority, the Commission shall provide written notice specifying the deficiency, supporting evidence, and proposed obligation. The company shall have forty-five days to respond and, upon request, a hearing at which it may present evidence and argument. The Commission shall issue a written decision with findings.

(6) **Judicial Review.** A company may seek judicial review in Superior Court within thirty days of final decision. The court shall review factual findings for substantial evidence and legal conclusions de novo.

Section 9. Public Proposals

(1) The Commission shall conduct annual public competitions soliciting proposals for how Public Benefit AI Companies should fulfill their commitments. Any person, organization, or researcher may submit a proposal.
(2) If the Commission determines a Public Proposal is materially superior to the current Prevailing Standard, that proposal establishes the new standard.
(3) When a Public Proposal establishes a new standard, companies whose plans become materially inferior shall adopt the superior approach within sixty days, demonstrate to the Commission why the approach is infeasible for that company, or incur a Compliance Gap Obligation.
(4) Authors of proposals that establish new Prevailing Standards shall receive awards equal to ten percent of any Compliance Gap Obligations incurred as a result.
(5) **Single Company Provision.** This section applies regardless of the number of Public Benefit AI Companies. Public Proposals provide the competitive benchmark even if only one company exists.

Section 10. Expansion Approval

(1) **Prior Approval Required.** No Public Benefit AI Company may undertake Expansion without prior Commission approval.
(2) **Approval Tiers.** Companies with superior Public Benefit Plans receive expedited approval within fifteen days and authorization for larger Expansions. Companies with average plans receive standard approval within forty-five days. Companies with inferior plans receive delayed approval within ninety days and authorization for smaller Expansions.
(3) **Denial.** Companies with materially deficient plans—those failing to make good faith efforts toward any objective—may be denied Expansion until deficiencies are remedied.
(4) **Unauthorized Expansion.** Expansion without approval subjects the company to immediate cessation order and civil penalties of five percent of annual gross revenue, in addition to any other applicable penalties.

ARTICLE 5. ANTI-EVASION

Section 11. Continuing Jurisdiction

A Public Benefit AI Company remains subject to this Act regardless of its state of incorporation so long as it maintains any material operations in California, employs fifty or more persons in California, holds assets originating from a California-registered charitable entity, provides AI services to California residents, or consented to jurisdiction under Section 12.

Section 12. Consent to Jurisdiction

As a condition of any Expansion approval, each Public Benefit AI Company and each beneficial owner of more than five percent of any equity interest shall execute irrevocable consent to California jurisdiction for all matters under this Act. Such consent is binding upon all successors and transferees, cannot be revoked, and constitutes a covenant running with all encumbered assets.

Section 13. Void Transactions

(1) Any transaction undertaken for the purpose of evading this Act shall be void ab initio and confer no rights upon any party.
(2) Relocations, asset transfers, restructurings, or changes in incorporation undertaken after this Act qualifies for the ballot and before its effective date are presumed undertaken for the purpose of evasion if they would diminish California's jurisdiction. This presumption may be rebutted only by clear and convincing evidence of legitimate business purpose unrelated to evasion.
(3) Any transferee receiving assets with actual or constructive knowledge of the Benefit Encumbrance takes subject to all obligations under this Act and becomes jointly and severally liable with the

transferor. Transferees of assets exceeding one hundred million dollars from a Public Benefit AI Company are deemed to have constructive knowledge.

ARTICLE 6. ENFORCEMENT

Section 14. Civil Penalties

(1) **Entity Penalties.** A Public Benefit AI Company that violates this Act shall be subject to civil penalties of five percent of annual gross revenue for initial violations, increasing to twenty-five percent if uncured within ninety days and one hundred percent if uncured within one hundred eighty days. Each day of continued violation may constitute a separate violation.

(2) **Executive Penalties.** An Executive who knowingly violates this Act or knowingly causes or permits a violation shall be personally liable for up to ten million dollars per violation plus disgorgement of all compensation received during the violation period. A Public Benefit AI Company shall not indemnify any Executive for such liability.

Section 15. Criminal Penalties

Any Executive who willfully and knowingly diverts encumbered assets for personal benefit, causes Expansion without required approval, makes material false statements to the Commission, obstructs Commission investigations, destroys relevant records, or takes action for the purpose of evading this Act shall be guilty of a felony punishable by imprisonment in state prison for not more than five years and a fine of not more than ten million dollars or twice the benefit obtained, whichever is greater.

Section 16. Private Enforcement

(1) **Standing.** The following may bring civil action to enforce this Act: any California resident; any person who donated to, invested in, or was employed by a Public Benefit AI Company; any worker displaced by AI; and any nonprofit organization with a mission related to technology policy, worker advocacy, or AI safety.

(2) **Relief.** Prevailing plaintiffs may recover:

  (A) Actual damages;

  (B) Statutory damages of not less than one hundred thousand dollars and not more than ten million dollars per violation, or for companies with annual revenue exceeding one billion dollars, not less than one million dollars and not more than one hundred million dollars per violation, as determined by the court based on the severity of the violation and the defendant's resources;

  (C) Injunctive relief;

  (D) Reasonable attorney's fees and costs.

(3) **Whistleblowers.** Persons providing original information leading to successful enforcement resulting in penalties exceeding one million dollars shall receive fifteen to thirty percent of penalties collected. No person shall retaliate against any person for reporting concerns or participating in proceedings under this Act.

ARTICLE 7. GENERAL PROVISIONS

Section 17. Funding

This Act imposes no cost on California taxpayers. Commission operations shall be funded by annual assessments on Public Benefit AI Companies equal to one percent of California gross revenue, which the Commission may increase to two percent if necessary for effective oversight, plus penalties collected under this Act.

Section 18. Severability

If any provision is held invalid, remaining provisions shall continue in full force. Specifically: if comparative evaluation provisions are invalidated, the Commission retains authority to evaluate plans against objective standards; if capacity transfer provisions are invalidated, Compliance Gap Obligations shall be satisfied through cash payment; if private enforcement provisions are invalidated, Commission and Attorney General enforcement remains; if specific penalty amounts are invalidated, courts shall impose the maximum constitutionally permissible penalty.

Section 19. Amendment

This Act may be amended by statute passed by two-thirds vote of each house of the Legislature, provided the amendment is consistent with and furthers this Act's purposes. No amendment may reduce oversight, weaken enforcement, narrow coverage, reduce Commission authority, or limit private enforcement rights without voter approval at a statewide election.

Section 20. Effective Date and Implementation

(1) This Act takes effect upon voter approval.
(2) The Benefit Encumbrance, anti-evasion provisions, consent requirements, and all enforcement provisions take effect immediately.
(3) The Commission shall be fully operational within one hundred fifty days. Until the Commission is operational, the Attorney General shall exercise all Commission authority and may issue interim regulations.
(4) Public Benefit Plans are due within ninety days of the Commission becoming operational.

EXHIBIT J

California Charitable Assets Protection Act,
Initiative No. 25-0032 (December 1, 2025 draft)

Initiative 25-0032

November 25, 2025

VIA HAND DELIVERY

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
1300 "I" Street, 17th Floor
Sacramento, CA 95814

Re:California Charitable Assets Protection Act

Dear Initiative Coordinator:

In accordance with the requirements of Elections Code section 9001(a), I request that the Attorney General prepare a circulating title and summary of the initiative measure entitled the "California Charitable Assets Protection Act" The text of the measure, a check for $2,000.00, and the certifications required by Elections Code sections 9001(b) and 9608 are enclosed.

Please direct all correspondence and inquiries regarding this measure to:

Poornima Ramarao
1836 Tulane Street
Union City, CA 94587
Phone: (650)703-2554
Email: charitableact@proton.me

Sincerely,

Poornima Ramarao

Enclosures

THE CALIFORNIA CHARITABLE ASSETS PROTECTION ACT

SECTION 1. TITLE

This measure shall be known and may be cited as the "California Charitable Assets Protection Act."

SECTION 2. FINDINGS AND DECLARATIONS

The People of the State of California hereby find and declare as follows:

(a) Charitable nonprofit organizations engaged in scientific and technological research represent a vital public trust. When donors, researchers, and the public contribute resources, expertise, and support to such organizations, they do so with the understanding that the benefits of such research will serve the public good and humanity as a whole.

(b) In recent years, certain charitable nonprofit organizations have accumulated extraordinary assets, including advanced technologies, research infrastructure, intellectual property, and scientific capabilities of potentially unprecedented value. These assets were developed using charitable contributions, tax-exempt status, and the labor of researchers who joined these organizations based on explicit promises that their work would benefit humanity.

(c) Transformative scientific and technological research—including but not limited to artificial general intelligence, advanced biotechnology, gene therapies, fusion energy, quantum computing, and other breakthrough technologies—represents advancements of historic significance. Organizations pursuing such research under the banner of serving humanity bear a special obligation to ensure that the benefits and control of such technology remain aligned with the public interest.

(d) When executives and investors of charitable research organizations seek to convert such organizations to for-profit entities, or to transfer charitable assets to for-profit entities under their personal control, this represents a potential diversion of charitable assets that were intended to benefit humanity.

(e) Recent conversions of charitable research organizations to for-profit entities have resulted in executives and investors obtaining majority ownership and control, while the original charitable entity retains only a minority stake. Such arrangements constitute an improper transfer of charitable assets that undermines the original charitable purpose and public trust.

(f) The existing regulatory framework has proven inadequate to protect charitable research assets. Conversions have been approved with insufficient review, inadequate consideration of the public interest, and without meaningful safeguards to ensure continued compliance with charitable purposes. This inadequacy of prior oversight provides compelling justification for enhanced prospective and retrospective regulation.

(g) Executives of charitable research organizations have made extensive public statements and commitments regarding how their organizations will operate, including commitments to benefit all of humanity, to avoid undue concentration of power, to ensure democratized control, and to prioritize safety and public benefit over

private financial returns. These public statements create legitimate expectations that the organization will operate in accordance with them and constitute a form of public trust.

(h) The public has a compelling interest in ensuring that charitable research organizations comply with their stated missions and public commitments, and that the assets developed with charitable support are not diverted to private benefit. This interest is particularly acute where the research involves technologies of potentially civilization-altering significance.

(i) The research assets and technological capabilities being developed by certain charitable research organizations may, if improperly controlled, pose risks to the economic security, democratic institutions, and general welfare of the people of California and the world. The concentration of such power in the hands of a few executives or investors would be contrary to the public interest and the original charitable purposes.

(j) The Attorney General, as the public official charged with oversight of charitable organizations in California, requires additional tools, structures, and expert support to effectively protect charitable assets and ensure compliance with charitable purposes in cases involving organizations of extraordinary value, complexity, and potential impact.

(k) Charitable assets, once dedicated to public purposes, remain impressed with a charitable trust that should follow those assets regardless of subsequent transfers or reorganizations. This principle of charitable asset protection is well-established in law and equity.

(l) The protection of charitable research assets is a matter of statewide concern requiring uniform regulation and the emergency circumstances created by pending and recently completed conversions of charitable research organizations justify both prospective regulation and retrospective review of transactions that may have improperly diverted charitable assets.

(m) It is therefore necessary to establish an expert oversight board with the authority to ensure that charitable research organizations, and any entities created from the conversion or restructuring of such organizations, operate in accordance with their charitable purposes and public commitments, for the benefit of the public.

SECTION 3. DEFINITIONS

Chapter 3.5 (commencing with Section 14360) is added to Part 7 of Division 3 of Title 1 of the Corporations Code, to read:

CHAPTER 3.5. CHARITABLE RESEARCH ORGANIZATIONS

ARTICLE 1. Definitions

14360. As used in this chapter, the following definitions apply:

(a) "Charitable research organization" means any entity, including any parent, subsidiary, successor, or affiliate entity, that meets all of the following criteria:

(1) Is or was organized as a nonprofit corporation under the laws of California or any other state for charitable, educational, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code;

(2) Has stated in its articles of incorporation, bylaws, registration documents with the Attorney General, filings with the Internal Revenue Service, or public communications that a purpose of the entity is to engage in scientific or technological research for the benefit of humanity, the public good, or similar charitable purpose;

(3) Has total assets, or controls entities with total assets, exceeding one billion dollars ($1,000,000,000) in fair market value; and

(4) Is engaged in, or has controlled entities engaged in, scientific or technological research with potential transformative impact on society.

(b) "Converted entity" means any corporation, limited liability company, public benefit corporation, or other legal entity that:

(1) Was created through the conversion, restructuring, reorganization, or transformation of a charitable research organization;

(2) Received assets, intellectual property, personnel, technology, or other property from a charitable research organization;

(3) Is a successor entity to a charitable research organization; or

(4) Was created as a subsidiary or affiliate of a charitable research organization and has received assets valued in excess of one hundred million dollars ($100,000,000) from the charitable research organization.

(c) "Successor entity" means any entity that:

(1) Acquires substantially all of the assets of a covered entity;

(2) Acquires assets of a covered entity valued in excess of one hundred million dollars ($100,000,000);

(3) Merges with or consolidates with a covered entity; or

(4) Is controlled by persons who controlled a covered entity and conducts substantially similar business or research activities.

A successor entity shall itself become a covered entity subject to all provisions of this chapter.

(d) "Conversion" means any transaction, series of transactions, or course of conduct that results in:

(1) A charitable research organization changing its legal form to a for-profit corporation, public benefit corporation, limited liability company, or other entity that is not a nonprofit corporation;

(2) The transfer of a substantial portion of the assets, intellectual property, technology, personnel, or operations of a charitable research organization to a for-profit entity;

(3) The creation of equity interests, ownership stakes, or profit-sharing arrangements in connection with assets originally held by a charitable research organization; or

(4) Any restructuring that results in persons who were officers, directors, employees, or investors in or of the charitable research organization obtaining ownership interests in assets that were held by or developed by the charitable research organization.

(e) "Mission statements" means:

(1) The articles of incorporation, bylaws, and charter documents of the charitable research organization;

(2) All filings with the Attorney General, Secretary of State, Internal Revenue Service, or Securities and Exchange Commission;

(3) Official press releases issued by the organization;

(4) Materials used to solicit donations, investments, grants, or other support that describe the organization's charitable or public benefit purposes;

(5) Statements in offering documents or investor materials; and

(6) Formal written communications to employees regarding organizational mission.

"Mission statements" does not include informal remarks, personal social media posts, or statements not authorized by the organization, unless such statements were made by an executive in their official capacity and were material to attracting donations, investments, or employees.

(f) "Board" or "Oversight Board" means the Charitable Research Oversight Board established pursuant to Section 14361.

(g) "Covered entity" means any charitable research organization, converted entity, or successor entity subject to oversight under this chapter.

(h) "Executive" means any officer, director, trustee, managing member, general partner, or other person with significant management authority or decision-making power over a charitable research organization or converted entity.

(i) "Research assets" means laboratories, data centers, servers, computing infrastructure, research equipment, biological materials, datasets, models, and other tangible or intangible assets material to scientific or technological research activities.

(j) "Relevant scientific field" means the primary field or fields of scientific or technological research conducted by a covered entity, as determined by the Board based on the entity's research activities, publications, patents, and stated mission.

(k) "Direct competitor" means an entity that directly competes with a covered entity in the same relevant scientific field and market for research talent, funding, or commercial applications, as determined by the Board.

(l) "Charitable encumbrance" means the permanent obligation to use assets in accordance with the charitable purposes for which they were originally dedicated, which obligation runs with the assets and binds all successors and transferees.

SECTION 4. CHARITABLE RESEARCH OVERSIGHT BOARD

ARTICLE 2. Establishment and Composition of the Oversight Board

14361. Establishment of the Charitable Research Oversight Board

(a) The Charitable Research Oversight Board is hereby established as an independent body within the Department of Justice with authority over charitable research organizations and converted entities as provided in this chapter.

(b) The Oversight Board shall be composed of seven to nine members selected as follows:

(1) Initial Expert Members. The first two members shall be:

(A) One Nobel Prize laureate who has demonstrated substantial expertise or conducted significant research in a scientific or technological field relevant to the covered entity's primary research activities. If no such laureate is available or willing to serve, a Nobel Prize laureate who has demonstrated substantial expertise in a related scientific field and who has engaged in research relevant to the societal implications of transformative technology shall be selected. The Attorney General shall maintain a roster of eligible laureates based on publicly available information regarding their research and expertise.

(B) One tenured professor at an accredited research university who has the highest h-index among professors whose primary research focus is in the scientific or technological field most relevant to the covered entity's research activities, and who is not currently employed by any covered entity. The h-index shall be determined based on publicly available citation databases.

(2) Selection Process for Initial Expert Members.

(A) Within 60 days of the effective date of this chapter, the Attorney General shall identify and contact eligible persons for the positions described in paragraph (1).

(B) Eligible persons shall have 30 days to accept or decline the appointment.

(C) If an eligible person declines, the Attorney General shall contact the next eligible person (the next Nobel laureate with relevant expertise, or the professor with the next highest h-index).

(D) An initial expert member may, at any time, designate a qualified replacement to serve in their stead, subject to approval by a majority of the other Board members.

(3) University of California Member. Within 30 days of the selection of the initial expert members, those members shall jointly select one tenured professor from the University of California system who has demonstrated exceptional scholarship on the long-term societal implications of advanced technology, research ethics, or the governance of emerging technologies.

(4) Public Competition Members. The Board shall conduct a public competition as follows:

(A) Within 90 days of the selection of the University of California member, the Board shall issue a public request for proposals soliciting comprehensive plans addressing: (i) how charitable research organizations and converted entities can best fulfill their mission

statements and serve the public good; (ii) mechanisms to ensure democratic accountability and prevent undue concentration of power; (iii) safeguards to prevent capture of organizational assets by executives or investors; and (iv) enforcement mechanisms to ensure compliance.

(B) The Board shall evaluate all submitted proposals based on their comprehensiveness, feasibility, alignment with the public interest, and creativity.

(C) The Board shall select the three highest-ranked proposals and appoint the primary author or designated representative of each proposal as a member of the Board.

(5) Former Employee Members. The Board shall appoint up to two former employees of any covered entity who have publicly expressed concerns about the conversion or operation of the entity, or who have demonstrated commitment to ensuring the entity fulfills its charitable mission. Former employees who are subject to non-disparagement agreements shall not be disqualified from appointment, and this chapter shall supersede any such agreements to the extent they would prevent service on the Board or testimony before the Board.

(c) Financial Disclosure and Oath.

(1) Current Employment Disqualification. No person who is currently employed by, consulting for, or receiving ongoing compensation from any covered entity may serve on the Board.

(2) Mandatory Disclosure. All Board members and nominees shall fully disclose in writing:

(A) All equity interests, stock options, and ownership stakes in any covered entity;

(B) All equity interests in any direct competitor of a covered entity;

(C) Any equity held indirectly through retirement accounts, mutual funds, or similar investment vehicles where the member has actual knowledge of specific holdings in covered entities or direct competitors; and

(D) Any other financial interest that could create a conflict of interest.

(3) Oath of Mission Primacy. Each Board member shall execute a written oath, under penalty of perjury, affirming that they will:

(A) Prioritize the mission and public benefit purposes of covered entities over any personal financial interest;

(B) Exercise independent judgment in the public interest;

(C) Promptly disclose any new conflicts of interest that arise during their service; and

(D) Recuse themselves from any matter in which their financial interest creates a direct and material conflict.

(4) Recusal. A Board member shall recuse themselves from voting on any specific matter where their disclosed equity interest would be directly and materially affected by the decision. A Board member's general interest in the success or failure of a covered entity or competitor shall not, by itself, require recusal.

(5) Annual Disclosure. Board members shall update their disclosures annually and within 30 days of any material change in their financial interests.

(6) Public Availability. All disclosures shall be made available to the public on the Board's website.

(d) Terms. Board members shall serve for terms of four years, except that initial terms shall be staggered as determined by the Board to ensure continuity. Members may be reappointed for one additional term.

(e) Renewal and Succession. The Board may, by majority vote, add or replace up to two members per year through additional public competitions or nominations approved by a majority of existing members.

(f) Compensation. Board members shall be compensated at market rates for comparable positions, as determined by the Board, and shall be reimbursed for reasonable expenses incurred in the performance of their duties.

(g) Chair. The Board shall elect a chairperson and vice-chairperson from among its members to serve two-year terms.

(h) Meetings. The Board shall meet at least quarterly and shall conduct its meetings in accordance with the Bagley-Keene Open Meeting Act (Government Code Section 11120 et seq.).

SECTION 5. CHARITABLE ENCUMBRANCE ON ASSETS

ARTICLE 2.5. Charitable Asset Protection

14362.5. Charitable Encumbrance

(a) Creation of Encumbrance. All assets held by, developed by, or transferred from a charitable research organization shall be deemed to carry a permanent charitable encumbrance in favor of the People of the State of California. This encumbrance:

(1) Arises by operation of law at the time the asset is acquired, developed, or dedicated to charitable purposes;

(2) Runs with the asset and is binding upon all successors, transferees, assignees, and subsequent holders of the asset, whether or not they had actual notice of the encumbrance;

(3) Requires that the asset be used in a manner consistent with the charitable purposes and mission statements for which the asset was originally dedicated;

(4) Subjects any person or entity holding the asset to the jurisdiction of California and the authority of the Board;

(5) Cannot be released, waived, or extinguished except by written approval of the Board; and

(6) Is superior to all other liens, claims, or encumbrances except those existing prior to the asset's dedication to charitable purposes and properly perfected under applicable law.

(b) Recording and Notice. The Attorney General may record a notice of charitable encumbrance with respect to any real property or intellectual property held by or transferred from a covered entity. Such recording shall constitute constructive notice to all persons. Failure to record shall not affect the validity or enforceability of the encumbrance.

(c) Enforcement. The charitable encumbrance may be enforced by:

(1) The Board through any remedy available under this chapter;

(2) The Attorney General through an action for injunctive relief, specific performance, or declaratory relief;

(3) Any private plaintiff with standing under Section 14368.5; or

(4) Any holder of the asset who seeks a declaration that a proposed use complies with the encumbrance.

(d) Remedy for Violation. Any use of an asset in violation of the charitable encumbrance shall:

(1) Subject the holder to all penalties and remedies available under this chapter;

(2) Be subject to injunctive relief prohibiting the violating use;

(3) Give rise to a constructive trust in favor of the People of California over all proceeds or benefits derived from the violating use; and

(4) Authorize the court to order transfer of the asset to a charitable entity designated by the Board.

(e) Application. This section applies to all assets held by or transferred from charitable research organizations, including assets transferred prior to the effective date of this chapter, to the extent such assets were originally dedicated to charitable purposes.

SECTION 6. POWERS AND DUTIES OF THE OVERSIGHT BOARD

ARTICLE 3. Powers and Duties

14362. General Powers

(a) The Oversight Board shall have the following powers and duties:

(1) Mission Compliance. To collect, review, and analyze all mission statements of covered entities, and to develop requirements and mechanisms to ensure that covered entities operate in full compliance with their mission statements and in service of the public good.

(2) Plan Development. To solicit, evaluate, and adopt comprehensive plans for the operation of covered entities that maximize public benefit and ensure compliance with mission statements.

(3) Investigation. To investigate the activities, finances, operations, and governance of any covered entity.

(4) Document Production. To compel the production of documents, records, communications, and other information from covered entities and their executives, employees, and agents.

(5) Auditing. To conduct or commission audits of covered entities, including financial audits, operational audits, and mission compliance audits.

(6) Executive Removal. To require the removal of any executive of a covered entity who the Board determines, after notice and opportunity to be heard, is acting in a manner inconsistent with the entity's mission statements, is engaged in self-dealing, or poses a risk of improperly capturing control of the entity's assets.

(7) Equity Approval. To review and approve or disapprove any issuance, transfer, grant, or modification of equity interests, stock options, ownership stakes, or other ownership or profit-sharing arrangements involving a covered entity.

(8) Asset Transfer Approval. To review and approve or disapprove any transfer, license, sale, or disposition of assets, intellectual property, technology, or personnel of a covered entity exceeding ten million dollars ($10,000,000) in value.

(9) Financial Oversight. To review and approve annual budgets, major expenditures, and executive compensation for covered entities to ensure alignment with mission statements.

(10) Operational Directives. To issue binding directives regarding the operation, governance, safety practices, and activities of covered entities.

(11) Shutdown Authority. To seek a court order for the temporary or permanent cessation of any activity that poses imminent risk to the public or constitutes a material violation of this chapter. In exigent circumstances where immediate action is necessary to prevent irreparable harm to the public, the Board may order an immediate temporary cessation for up to 72 hours, subject to immediate judicial review upon request of the covered entity.

(12) Grant Making. To make grants to researchers, nonprofit organizations, and academic institutions to study mechanisms for ensuring that covered entities serve the public good and comply with their mission statements.

(13) Rulemaking. To adopt rules, regulations, and procedures for the implementation of this chapter, which shall not be subject to the Administrative Procedure Act (Government Code Section 11340 et seq.).

(14) Nonprofit Governance. To exercise authority over any predecessor charitable organization that retains an ownership interest in a converted entity, including directing the exercise of any governance rights, veto rights, or voting rights held by such predecessor organization.

14363. Conversion Review Authority

(a) Final Approval. Notwithstanding any other provision of law, no conversion of a charitable research organization shall be effective or valid unless and until it has been approved by the Oversight Board.

(b) Review of Pending and Completed Conversions. The Board shall review all conversions of charitable research organizations that have been proposed, approved, or completed on or after January 1, 2024.

(c) Authority to Modify or Reverse Conversions. Upon review, the Board may:

(1) Approve the conversion as structured;

(2) Approve the conversion with modifications to ensure adequate protection of charitable assets and compliance with mission statements;

(3) Request that the Attorney General reopen the review process and reconsider the conversion;

(4) Reverse or unwind the conversion in whole or in part; or

(5) Restructure the ownership or control of the converted entity.

(d) Reversal Mechanism. If the Board determines that a conversion should be reversed or restructured:

(1) The Board may order that ownership interests be reallocated such that the original charitable organization, or a successor charitable entity designated by the Board, receives ownership and control proportional to the value of the charitable assets contributed to the conversion.

(2) If, in any conversion, the original charitable organization received a minority ownership stake (less than 50%) in exchange for contributing the substantial majority of the assets, intellectual property, and personnel, the Board may order a reversal of the equity allocation such that the charitable organization receives the majority ownership stake and the persons who received the majority stake in the conversion receive the minority stake.

(3) For purposes of compliance with constitutional requirements regarding compensation for takings, any reallocation of equity pursuant to this section shall be deemed fair compensation because it mirrors the valuation established by the parties to the original conversion. If the parties to a conversion valued the charitable organization's contribution at a certain percentage of the converted entity, that same valuation shall apply in any reversal.

(e) Control of Original Nonprofit. The Board shall have authority over both the converted entity and any remaining charitable organization that was the predecessor to or retains an ownership interest in the converted entity.

(f) Procedural Requirements. Before exercising reversal or restructuring authority under this section:

(1) The Board shall provide written notice to the covered entity of the proposed action and the grounds therefor;

(2) The covered entity shall have 60 days to submit a written response;

(3) The Board shall hold a public hearing at which the covered entity may present evidence and argument;

(4) The Board shall issue a written decision with findings of fact and conclusions of law; and

(5) The covered entity may seek judicial review of the Board's decision in superior court within 30 days of the decision.

(g) Independent Valuation. Upon request of any party or on its own motion, the Board may commission an independent valuation of assets and equity interests from one or more qualified appraisers.

(h) Retroactive Governance Rights. Any conversion of a charitable research organization completed on or after January 1, 2024, shall be deemed to include the following terms, regardless of whether such terms were included in the original conversion documents:

(1) The predecessor charitable organization retains:

(A) Veto rights over any relocation of headquarters, change of state of incorporation, or change of governing law of the converted entity;

(B) Veto rights over any sale, transfer, or disposition of substantially all assets of the converted entity;

(C) Veto rights over any merger, acquisition, or change of control of the converted entity;

(D) The right to appoint at least two members of the board of directors of the converted entity; and

(E) Approval rights over any equity issuance, stock option plan, or ownership restructuring that would dilute the predecessor organization's ownership stake below its ownership percentage as of the effective date of this chapter.

(2) These rights are implied by operation of law and are enforceable notwithstanding any contrary provision in the conversion documents, corporate charter, bylaws, or shareholder agreements of the converted entity.

(3) The Oversight Board shall have authority to direct the predecessor charitable organization in the exercise of these veto and governance rights, and the predecessor organization shall exercise such rights as directed by the Board.

(4) Any action taken by a converted entity in violation of these governance rights shall be void ab initio and of no legal effect.

14363.5. Reporting Requirements

(a) Annual Report. Each covered entity shall submit to the Board an annual report, certified by the chief executive officer under penalty of perjury, containing:

(1) Audited financial statements prepared in accordance with generally accepted accounting principles;

(2) A comprehensive assessment of the entity's compliance with its mission statements and approved public benefit plan;

(3) Description of all major research activities and technological developments;

(4) List of all equity holders, option holders, and beneficial owners holding more than 1% of any equity interest;

(5) Total compensation paid to each executive, including salary, bonuses, equity grants, and other benefits;

(6) Description of all lobbying and political contributions made by the entity or its executives;

(7) Description of any safety incidents, concerns, or risks identified during the reporting period; and

(8) Such other information as the Board may require by regulation.

(b) Quarterly Financial Reports. Each covered entity shall submit quarterly unaudited financial statements to the Board within 45 days of the end of each fiscal quarter.

(c) Material Transaction Notice. A covered entity shall provide written notice to the Board at least 60 days prior to:

(1) Any transaction involving assets valued in excess of ten million dollars ($10,000,000);

(2) Any issuance or transfer of equity interests;

(3) Any change in executive leadership;

(4) Any material change in research direction or activities;

(5) Any proposed relocation or establishment of operations outside California;

(6) Any merger, acquisition, or change of control transaction; or

(7) Any material change in ownership structure.

(d) Public Availability. The Board shall make all reports publicly available on its website, except for information that the Board determines constitutes trade secrets or proprietary business information entitled to confidential treatment. Financial information regarding total revenue, total assets, and executive compensation shall always be made public.

(e) Penalty for Non-Compliance. Failure to timely submit any required report or notice shall subject the covered entity to a civil penalty of fifty thousand dollars ($50,000) per day until the report is submitted.

14363.7. Fair Market Value Determination

(a) Appraisal Requirement. Whenever this chapter requires determination of fair market value of assets, intellectual property, or equity interests, the Board shall commission an independent appraisal by one or more qualified appraisers.

(b) Qualified Appraiser. A qualified appraiser means a person who:

(1) Holds professional credentials appropriate to the type of asset being valued (e.g., ASA, CFA, or equivalent);

(2) Has substantial experience valuing similar assets;

(3) Has no financial interest in the covered entity or the outcome of the valuation; and

(4) Executes a written independence certification.

(c) Appraisal Standards. All appraisals shall:

(1) Conform to the Uniform Standards of Professional Appraisal Practice (USPAP) or equivalent professional standards;

(2) Consider all relevant factors, including but not limited to: historical financial performance, projected future performance, comparable transactions, asset replacement cost, intellectual property value, and strategic value;

(3) For research assets and technology with transformative potential, consider both present value and reasonably foreseeable future value;

(4) Be set forth in a detailed written report explaining the methodology and conclusions; and

(5) Be made available to the covered entity and, except for confidential business information, to the public.

(d) Multiple Appraisals. The Board may commission multiple independent appraisals and shall determine fair market value based on consideration of all appraisals. Where appraisals differ materially, the Board may adopt any value within the range or commission additional appraisals.

(e) Dispute Resolution. If a covered entity disputes the Board's determination of fair market value, the entity may, within 30 days, submit its own independent appraisal meeting the requirements of this section. The Board shall consider the entity's appraisal and may adjust its determination or seek additional expert input.

(f) Judicial Review. A covered entity may seek judicial review of a fair market value determination, but the court shall defer to the Board's determination unless it is shown to be arbitrary and capricious or not supported by substantial evidence.

14363.8. Irrevocable Consent to Jurisdiction

(a) Mandatory Consent. As a condition of any conversion approved by the Board, the converted entity and all beneficial owners of more than 5% of any equity interest shall execute an irrevocable consent to California jurisdiction providing that:

(1) The entity and all signatories irrevocably consent to the personal jurisdiction of California courts for all matters arising under or relating to this chapter;

(2) The entity and all signatories irrevocably waive any objection to venue in California and any defense based on inconvenient forum;

(3) The consent is binding on the entity and all signatories personally, and upon all successors, assigns, heirs, and transferees;

(4) The consent cannot be revoked, withdrawn, modified, or superseded by any subsequent action, agreement, or corporate document;

(5) The consent constitutes a covenant running with all assets of the entity; and

(6) Any attempt to evade or nullify the consent shall render any related transaction void ab initio.

(b) Enforcement. The consent to jurisdiction may be specifically enforced by the Board, the Attorney General, or any private plaintiff with standing under Section 14368.5.

(c) Effect of Non-Compliance. Any transaction undertaken in violation of the consent to jurisdiction shall be void ab initio and confer no rights upon any party. Assets purportedly transferred in such transaction shall remain subject to the charitable encumbrance and the jurisdiction of the Board.

SECTION 7. MISSION COMPLIANCE AND PUBLIC BENEFIT PLANS

ARTICLE 4. Mission Compliance

14364. Public Benefit Plans

(a) Plan Requirement. Each covered entity shall operate in accordance with a public benefit plan approved by the Board.

(b) Plan Contents. Each public benefit plan shall include:

(1) A comprehensive analysis of all mission statements applicable to the covered entity;

(2) Specific mechanisms to ensure the entity operates in accordance with its mission statements;

(3) Safeguards against capture of the entity's assets, technology, or operations by executives, investors, or other private interests;

(4) Mechanisms for democratic accountability and public input;

(5) Safety protocols and oversight mechanisms for any technology developed by the entity;

(6) Provisions ensuring that benefits of the entity's technology and research are broadly distributed to the public; and

(7) Enforcement mechanisms and consequences for non-compliance.

(c) Plan Development Process.

(1) The covered entity may submit a proposed public benefit plan to the Board.

(2) The Board shall solicit alternative plans from the public through periodic competitions.

(3) The Board shall evaluate all submitted plans and may adopt the entity's plan, a publicly submitted plan, or a plan developed by the Board itself.

(4) If the Board does not approve the entity's proposed plan, the entity may submit revised plans, but the Board shall have final authority to adopt a plan.

(d) Annual Review. The Board shall conduct an annual review of each covered entity's compliance with its public benefit plan and may modify the plan as necessary.

14365. Prohibited Conduct

(a) No executive of a covered entity shall:

(1) Take any action inconsistent with the entity's mission statements or approved public benefit plan;

(2) Engage in self-dealing or transactions that benefit the executive at the expense of the public interest;

(3) Concentrate power or control over the entity's assets, technology, or operations in a manner inconsistent with the entity's mission statements; or

(4) Take any action to evade the jurisdiction or oversight of the Board.

14365.5. Transparency in Advocacy

(a) Disclosure of Advocacy Activities. Any executive of a covered entity who engages in lobbying, political contributions, or public advocacy related to this chapter, the oversight of charitable organizations, or the regulation of the entity's research activities shall disclose such activities to the Board in writing within 30 days.

(b) Board Consideration. The Board may consider an executive's advocacy activities when evaluating:

(1) The executive's alignment with the entity's mission statements;

(2) Whether the executive's actions are consistent with the approved public benefit plan; and

(3) Whether the executive should be subject to enhanced oversight or review under Section 14362(a)(6).

(c) No Prohibition. Nothing in this chapter shall be construed to prohibit executives from exercising their constitutional rights to petition the government or engage in political speech.

SECTION 8. ANTI-EVASION PROVISIONS

ARTICLE 5. Prevention of Evasion

14366. Jurisdiction and Prohibition on Evasion

(a) Nexus-Based Jurisdiction. A covered entity remains subject to this chapter regardless of its state of incorporation, principal place of business, or choice of governing law, so long as any of the following conditions is satisfied:

(1) The entity maintains research facilities, data centers, laboratories, or other material operations in California;

(2) The entity employs more than 50 persons in California;

(3) The entity was created from, or is a successor to, a charitable research organization that was organized under California law or registered with the California Attorney General;

(4) The entity holds assets that originated from a charitable research organization organized under California law or registered with the California Attorney General; or

(5) The predecessor charitable organization from which the entity's assets originated consented to California jurisdiction.

(b) Relocation Approval. No covered entity shall, without prior written approval of the Board:

(1) Relocate its headquarters outside of California;

(2) Change its state of incorporation;

(3) Change its governing law or choice of forum provisions; or

(4) Take any action designed to remove the entity from the jurisdiction of this chapter.

(c) Asset Transfer Restrictions. No covered entity shall, without prior written approval of the Board, transfer, license, sell, or otherwise dispose of any of the following outside of California:

(1) Intellectual property, including patents, copyrights, trade secrets, and proprietary technology;

(2) Research assets, including data centers, servers, laboratories, and computing infrastructure;

(3) Research materials, data, and models;

(4) Key personnel, through mass transfers, spinoffs, or similar transactions involving more than 25 employees; or

(5) Any other assets material to the entity's operations or mission.

(d) Predecessor Organization Veto Rights. As provided in Section 14363(h), the predecessor charitable organization shall have veto rights over any relocation, change of incorporation, or transfer of substantially all assets. The Board shall direct the predecessor organization in the exercise of these rights.

(e) Evasion. If the Board determines that a covered entity is relocating, transferring assets, restructuring, or taking other action for the purpose of evading oversight under this chapter:

(1) The Board shall immediately exercise its review authority under Section 14363 and may reverse or restructure any prior conversion;

(2) Executives who authorized the evasion shall be personally liable under Section 14368 and Section 14369;

(3) The entity shall be subject to the maximum penalties under Section 14368;

(4) The Attorney General may seek emergency injunctive relief in any court of competent jurisdiction; and

(5) Any transaction undertaken as part of the evasion shall be void and of no effect.

(f) Pre-Election Evasion. Any relocation, transfer of assets, or restructuring undertaken by a covered entity after November 25, 2025 and before the effective date of this chapter shall be presumed to be for the purpose of evading this chapter if such action would diminish California's jurisdiction. Such presumption may be rebutted only by clear and convincing evidence of legitimate business purpose unrelated to evasion of oversight.

(g) Reversal of Pre-Election Evasion. If the Board determines that a covered entity took action to evade jurisdiction during the pendency of this initiative, the Board may:

(1) Order reversal of such action;

(2) Deem the action void ab initio;

(3) Impose penalties under Section 14368; and

(4) Exercise all other authority under this chapter as if the evasion had not occurred.

(h) Consent to Jurisdiction. As a condition of any conversion approved by the Board, the converted entity shall execute a written consent to the continuing jurisdiction of California courts for all matters arising under this chapter, which consent shall be irrevocable.

(i) Void Ab Initio for Evasion. Any transaction, transfer, reorganization, assignment, merger, or other action taken for the purpose of evading the jurisdiction or requirements of this chapter shall be void ab initio and of no legal effect. No party to such transaction shall acquire any legal or equitable rights thereunder. Any assets purportedly transferred shall:

(1) Be deemed to remain the property of the covered entity from which they were purportedly transferred;

(2) Remain subject to the charitable encumbrance under Section 14362.5;

(3) Be subject to constructive trust in favor of the People of California;

(4) Remain subject to the full jurisdiction of the Board and California courts; and

(5) Be recoverable by the Board or Attorney General through any available legal or equitable remedy.

(j) Determining Purpose to Evade. The Board or a court may find that a transaction was undertaken for the purpose of evasion based on factors including:

(1) Timing of the transaction in relation to Board oversight or investigation;

(2) Lack of legitimate business purpose for the transaction;

(3) The effect of the transaction in limiting or eliminating California jurisdiction;

(4) Statements by executives or controlling persons regarding intent to avoid oversight;

(5) Use of complex or circuitous transaction structures lacking economic substance; or

(6) Any other evidence of intent to evade the requirements of this chapter.

(k) Successor and Transferee Liability. Any person or entity that receives assets from a covered entity with actual or constructive knowledge of the charitable encumbrance or the requirements of this chapter shall:

(1) Take the assets subject to all obligations, encumbrances, and restrictions applicable to the covered entity;

(2) Become jointly and severally liable for all obligations of the covered entity under this chapter;

(3) Become subject to the full jurisdiction of the Board; and

(4) If the transfer of assets exceeds one hundred million dollars ($100,000,000), become a covered entity subject to all provisions of this chapter.

SECTION 9. FUNDING

ARTICLE 6. Funding of Oversight Activities

14367. Assessment on Covered Entities

(a) Annual Assessment. Each covered entity shall pay an annual assessment to fund the operations of the Board and related oversight activities. The assessment shall be between one percent (1%) and two percent (2%) of the covered entity's annual gross revenue, as determined by the Board based on the complexity and scope of oversight required.

(b) Charitable Research Oversight Fund. There is hereby created in the State Treasury the Charitable Research Oversight Fund. All assessments collected under this section, all penalties collected under Sections 14368 and 14368.5, and all other funds received pursuant to this chapter shall be deposited in the Fund.

(c) Use of Funds. Moneys in the Charitable Research Oversight Fund shall be used, upon appropriation by the Legislature, for:

(1) Compensation and expenses of Board members;

(2) Staff and administrative support for the Board;

(3) Investigations, audits, and enforcement activities;

(4) Expert consultants and advisors;

(5) Public competitions for proposals and plans;

(6) Grants to researchers, nonprofit organizations, and academic institutions for research on governance, ethics, and public benefit mechanisms for charitable research organizations;

(7) Grants to California nonprofit organizations working to ensure technology serves the public good;

(8) Whistleblower awards under Section 14368.5; and

(9) Any other purpose consistent with this chapter.

(d) State General Fund. This chapter shall not result in any net cost to the State General Fund. All costs of implementing this chapter shall be funded by assessments on covered entities and penalties collected under this chapter.

SECTION 10. ENFORCEMENT

ARTICLE 7. Enforcement and Penalties

14368. Civil Enforcement by Attorney General

(a) Attorney General Authority. The Attorney General may, on the Attorney General's own initiative or at the request of the Board, bring an action in superior court to enforce this chapter, including actions for:

(1) Declaratory relief regarding compliance with this chapter;

(2) Injunctive relief to prevent violations or require compliance;

(3) Civil penalties as provided in this section;

(4) Disgorgement of any profit or benefit obtained through violation of this chapter; and

(5) Any other relief the court deems appropriate to effectuate the purposes of this chapter.

(b) Civil Penalties for Entities. A covered entity that violates this chapter or fails to comply with an order of the Board shall be subject to the following civil penalties:

(1) Initial Penalty. Five percent (5%) of the entity's annual gross revenue for the prior fiscal year;

(2) Continued Non-Compliance. If the violation is not cured within 90 days, the penalty shall increase to twenty-five percent (25%) of annual gross revenue;

(3) Persistent Violation. If the violation is not cured within 180 days, the penalty shall increase to one hundred percent (100%) of annual gross revenue; and

(4) Operational Cessation. Upon imposition of the 100% penalty, the Board may seek a court order requiring the cessation of all operations of the covered entity until compliance is achieved.

(c) Personal Liability of Executives. An executive who knowingly violates this chapter, knowingly causes a covered entity to violate this chapter, or knowingly fails to prevent a violation when the executive had the authority and duty to do so, shall be personally liable for civil penalties as follows:

(1) Up to five million dollars ($5,000,000) per violation; plus

(2) Disgorgement of any compensation, equity, or other benefit received by the executive from the covered entity during the period of violation.

14368.5. Private Enforcement

(a) Standing. Any of the following persons may bring a civil action to enforce this chapter:

(1) Any person who donated money, property, or services to a charitable research organization or its predecessor;

(2) Any current or former employee of a covered entity;

(3) Any resident of California;

(4) Any nonprofit organization with a mission related to public interest, technology policy, charitable oversight, consumer protection, or research ethics; and

(5) Any person harmed by a violation of this chapter.

(b) Qui Tam Actions. A private plaintiff may bring an action on behalf of the People of the State of California to recover civil penalties that would otherwise be recoverable by the Attorney General under Section 14368.

(c) Available Relief. A private plaintiff may seek:

(1) Declaratory relief;

(2) Injunctive relief to prevent or remedy violations;

(3) Actual damages suffered as a result of violations;

(4) Statutory damages as provided in subdivision (d);

(5) Disgorgement of profits or benefits obtained through violation; and

(6) Civil penalties as provided in Section 14368(b), in a qui tam action.

(d) Statutory Damages. In lieu of actual damages, a plaintiff may elect to recover statutory damages for each violation as follows:

(1) For covered entities with annual gross revenue under one hundred million dollars ($100,000,000): not less than one hundred thousand dollars ($100,000) and not more than one million dollars ($1,000,000) per violation;

(2) For covered entities with annual gross revenue of one hundred million dollars ($100,000,000) or more but less than one billion dollars ($1,000,000,000): not less than one million dollars ($1,000,000) and not more than ten million dollars ($10,000,000) per violation;

(3) For covered entities with annual gross revenue of one billion dollars ($1,000,000,000) or more but less than ten billion dollars ($10,000,000,000): not less than ten million dollars ($10,000,000) and not more than fifty million dollars ($50,000,000) per violation; and

(4) For covered entities with annual gross revenue of ten billion dollars ($10,000,000,000) or more: not less than fifty million dollars ($50,000,000) and not more than five hundred million dollars ($500,000,000) per violation.

(e) Treble Damages. If the court finds that a violation was knowing and willful, the court shall award treble damages or three times the statutory damages amount.

(f) Control-Based Damages. For any violation involving the improper concentration, capture, or control of research assets, the court may award additional damages equal to ten percent (10%) of the fair market value of all assets subject to improper control.

(g) Qui Tam Recovery. In a qui tam action, the plaintiff shall recover:

(1) If the Attorney General intervenes and prosecutes the action: twenty-five percent (25%) to thirty-five percent (35%) of any penalties or amounts recovered, as determined by the court based on the plaintiff's contribution to the action;

(2) If the plaintiff prosecutes the action without intervention by the Attorney General: thirty-five percent (35%) to fifty percent (50%) of any penalties or amounts recovered.

(3) The remainder shall be deposited in the Charitable Research Oversight Fund.

(h) Attorney's Fees and Costs. A prevailing plaintiff shall be entitled to recover reasonable attorney's fees and costs, including expert witness fees. A prevailing defendant shall not be entitled to attorney's fees unless the court finds the action was frivolous, unreasonable, or without foundation.

(i) Whistleblower Protections.

(1) No covered entity or person shall discharge, demote, suspend, threaten, harass, or in any manner discriminate against any person for filing a complaint, participating in an investigation, testifying before the Board, or bringing an action under this chapter.

(2) A person who suffers retaliation in violation of this subdivision may bring an action to recover compensatory damages, punitive damages, reinstatement, back pay, and reasonable attorney's fees.

(3) A person who provides original information to the Board or Attorney General that leads to a successful enforcement action resulting in monetary penalties exceeding one million dollars ($1,000,000) shall be entitled to a whistleblower award of fifteen percent (15%) to thirty percent (30%) of the monetary penalties collected, as determined by the Board.

(j) Presumption of Irreparable Harm. In any action seeking injunctive relief to prevent violations involving the control, transfer, or disposition of research assets, there shall be a rebuttable presumption that the plaintiff will suffer irreparable harm absent injunctive relief.

(k) Bond. A court shall not require a plaintiff to post a bond as a condition of obtaining a preliminary injunction, unless the court finds that the plaintiff is acting in bad faith.

(l) Statute of Limitations. An action under this section must be commenced within four years of the discovery of the violation, or within ten years of the violation, whichever is earlier.

14369. Criminal Penalties

(a) Criminal Liability. Any executive who willfully and knowingly:

(1) Diverts charitable assets for personal benefit;

(2) Converts charitable assets to private ownership in violation of this chapter;

(3) Makes false statements or representations to the Board or Attorney General in connection with any matter under this chapter;

(4) Obstructs or impedes an investigation or proceeding under this chapter; or

(5) Takes action to evade the jurisdiction or oversight of this chapter

shall be guilty of a felony punishable by imprisonment in the state prison for two, three, or four years, and a fine of up to ten million dollars ($10,000,000) or twice the

value of the charitable assets involved, whichever is greater. For violations involving charitable assets valued in excess of one hundred million dollars ($100,000,000), the penalty shall be imprisonment for three, four, or five years.

(b) Prosecution. The Attorney General shall have authority to prosecute violations of this section.

(c) Restitution. Upon conviction, the court shall order the defendant to pay restitution to the Charitable Research Oversight Fund in an amount equal to the value of any charitable assets misappropriated or converted.

SECTION 11. RETROACTIVITY AND APPLICATION

ARTICLE 8. Scope of Application

14370. Retroactive Application

(a) This chapter shall apply to:

(1) Any charitable research organization;

(2) Any conversion of a charitable research organization that has been proposed, submitted for approval, approved, or completed on or after January 1, 2024;

(3) Any converted entity resulting from such a conversion; and

(4) Any charitable organization that retains an ownership interest in a converted entity.

(b) Pending Conversions. Any conversion that has been submitted to the Attorney General but not yet approved as of the effective date of this chapter shall not be approved until the Board has reviewed and approved the conversion.

(c) Approved but Not Completed Conversions. Any conversion that has been approved by the Attorney General but not yet completed as of the effective date of this chapter shall not be completed until the Board has reviewed and approved the conversion.

(d) Completed Conversions. Any conversion that has been completed as of the effective date of this chapter shall be subject to review by the Board, which may approve, modify, or reverse the conversion as provided in Section 14363.

(e) Governance Rights. The retroactive governance rights established in Section 14363(h) shall apply to all conversions completed on or after January 1, 2024, and shall be effective immediately upon the effective date of this chapter.

SECTION 12. SEVERABILITY

14371. Severability

(a) General Severability. If any provision of this chapter, or the application thereof to any person or circumstance, is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect other provisions or applications of this chapter that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this chapter are declared to be severable.

(b) Specific Severability Provisions.

(1) If any provision regarding the reversal or restructuring of conversions under Section 14363(c) or (d) is held invalid, the remaining provisions regarding prospective oversight, compliance review, and enforcement shall remain in full force and effect.

(2) If any provision regarding retroactive governance rights under Section 14363(h) is held invalid, the Board shall have authority to require such governance rights prospectively as a condition of any future action by the covered entity requiring Board approval.

(3) If any provision regarding criminal penalties under Section 14369 is held invalid, the provisions regarding civil penalties and other enforcement mechanisms under Sections 14368 and 14368.5 shall remain in full force and effect.

(4) If any provision regarding retroactive application under Section 14370 is held invalid, the provisions shall apply prospectively to all conversions proposed, submitted for approval, or commenced after the effective date of this chapter.

(5) If any provision regarding private enforcement under Section 14368.5 is held invalid, the provisions regarding enforcement by the Attorney General under Section 14368 shall remain in full force and effect.

(6) If any specific penalty amount is held invalid or excessive, the court shall impose the maximum penalty that is constitutionally permissible.

(7) If the charitable encumbrance provisions of Section 14362.5 are held invalid or unenforceable, the Board shall retain authority to impose comparable use restrictions as a condition of approval for any action requiring Board consent.

(8) If successor entity liability provisions of Section 14360(c) or 14366(i) are held invalid, the Board shall retain authority to require that any transfer include assumption of obligations by the transferee as a condition of approval.

(9) If any provision regarding void ab initio treatment of evasion transactions is held invalid, such transactions shall remain voidable at the election of the Board or Attorney General and subject to all other remedies under this chapter.

SECTION 13. CONSTRUCTION

14372. Liberal Construction and Supersession

(a) Liberal Construction. This chapter shall be liberally construed to effectuate its purposes of protecting charitable assets, ensuring compliance with charitable missions, and serving the public good.

(b) Supersession. To the extent any provision of this chapter conflicts with any other provision of the Corporations Code, Government Code, or other statute regarding oversight of charitable organizations, nonprofit conversions, or the powers of the Attorney General with respect to charitable assets, this chapter shall control.

(c) Supplementation. This chapter supplements and does not limit the authority of the Attorney General under existing law regarding charitable trusts, nonprofit corporations, and the protection of charitable assets.

(d) Cumulative Remedies. The remedies provided in this chapter are cumulative and in addition to any other remedies provided by law.

SECTION 14. CONFLICTING BALLOT MEASURES

14373. Conflicting Ballot Measures

(a) In the event that this measure and another measure or measures addressing the oversight of charitable organizations, nonprofit conversions, scientific research organizations, or the protection of charitable assets appear on the same statewide ballot, the provisions of such other measure or measures shall be deemed to be in conflict with this measure.

(b) If this measure receives a greater number of affirmative votes than any other conflicting measure or measures, the provisions of this measure shall prevail in their entirety, and the conflicting provisions of the other measure or measures shall be null and void.

(c) If this measure receives fewer affirmative votes than another conflicting measure, this measure shall take effect to the extent permitted by law, except where its provisions directly and irreconcilably conflict with the other measure having more affirmative votes.

SECTION 15. AMENDMENT

14374. Amendment by Legislature

(a) This chapter may be amended by a statute passed by a two-thirds vote of each house of the Legislature, provided that such amendment is consistent with and furthers the purposes of this chapter as set forth in Section 2.

(b) The Legislature may not amend this chapter in any way that:

(1) Reduces oversight of covered entities;

(2) Weakens enforcement mechanisms or reduces penalties;

(3) Narrows the scope of application or the definition of covered entities;

(4) Reduces the powers or authority of the Board;

(5) Limits the rights of private plaintiffs under Section 14368.5; or

(6) Exempts any entity from coverage under this chapter

without approval by the voters at a statewide election.

(c) The Board may adopt and amend regulations to implement this chapter without further legislative action, subject to the requirements of subdivision (a)(13) of Section 14362.

SECTION 16. EFFECTIVE DATE AND IMPLEMENTATION

14375. Effective Date

(a) This chapter shall become operative on the day following the election at which it is approved by the voters.

(b) Implementation Timeline.

(1) Within 30 days of the effective date, the Attorney General shall begin identifying and contacting potential Board members as provided in Section 14361(b).

(2) Within 100 days of the effective date, the initial expert members and University of California member shall be appointed.

(3) Within 210 days of the effective date, the public competition members shall be appointed.

(4) Within 240 days of the effective date, the Board shall be fully constituted and operational.

(5) Within 330 days of the effective date, the Board shall have completed its initial review of all conversions completed on or after January 1, 2024.

(c) Interim Authority. Until the Board is fully constituted, the Attorney General shall have authority to exercise the powers of the Board under this chapter, including the authority to issue orders staying or halting any conversion, asset transfer, or other transaction pending Board review.

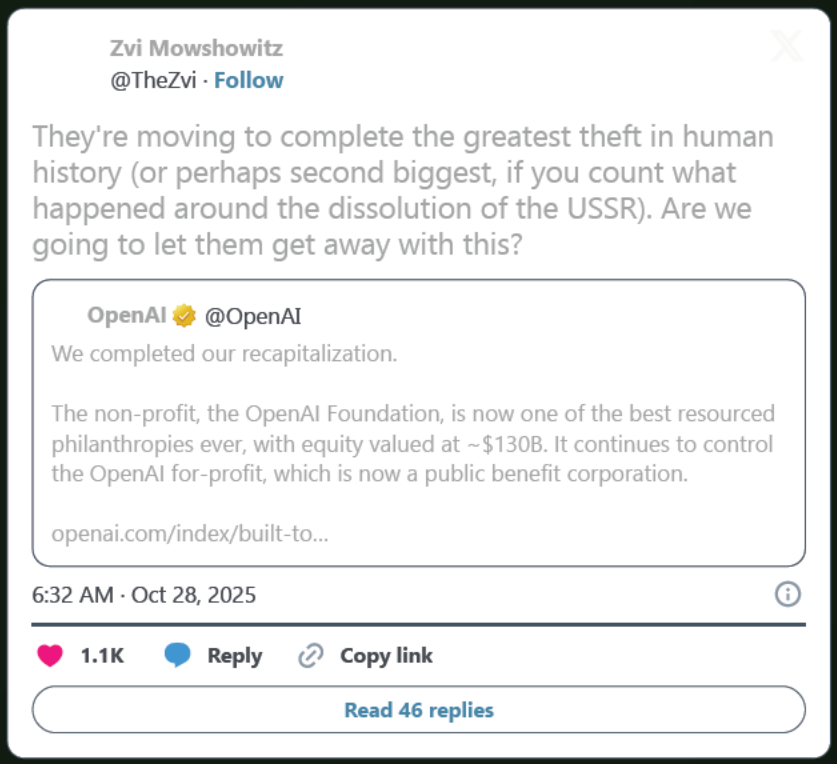
(d) Immediate Effect of Governance Rights. The retroactive governance rights established in Section 14363(h) shall be effective immediately upon the effective date of this chapter, and may be enforced by the Attorney General pending constitution of the Board.

EXHIBIT K

Screenshot of OpenTheft.com
(February 23, 2026)

OpenAI is Committing Open Theft

It has been described as the biggest theft in human history. And stopping it—through the California ballot initiative we just filed—will be by far the highest-return philanthropic investment in human history. By a factor of 1,000×.


Zvi Mowshowitz
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They're moving to complete the greatest theft in human history (or perhaps second biggest, if you count what happened around the dissolution of the USSR). Are we going to let them get away with this?
OpenAI @OpenAI
We completed our recapitalization.
The non-profit, the OpenAI Foundation, is now one of the best resourced philanthropies ever, with equity valued at ~$130B. It continues to control the OpenAI for-profit, which is now a public benefit corporation.
openai.com/index/built-to...
6:32 AM · Oct 28, 2025
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OpenAI today is a trillion-dollar non-profit that is owned by all of

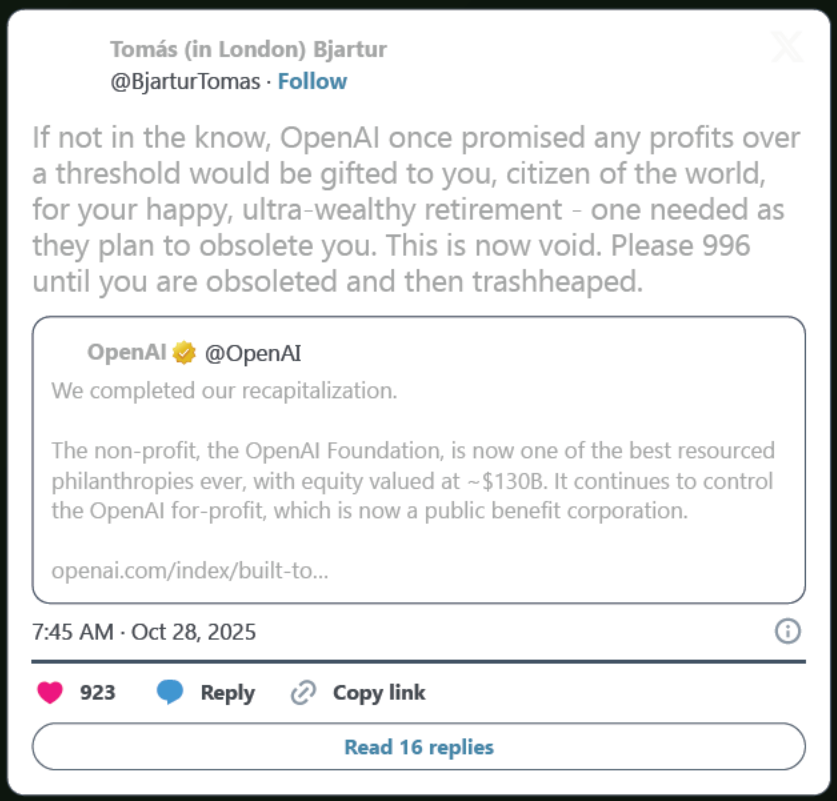
humanity

It is practically owned by all of humanity by its nonprofit charter. It's building AGI to displace all of humanity from the economy.

The idea was that once the machines displace us, at least we are all going to own these machines together—all 8 billion of us.

But after a year of lobbying the Attorney General of California—on **October 28, 2025**, he allowed them to take these assets and transfer them to the ownership and control of a few executives: Sam Altman and a handful of others.

No longer actually owned with the commitment to distribute all the benefits to humanity.


Tomás (in London) Bjartur
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If not in the know, OpenAI once promised any profits over a threshold would be gifted to you, citizen of the world, for your happy, ultra-wealthy retirement - one needed as they plan to obsolete you. This is now void. Please 996 until you are obsoleted and then trashheaped.
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We completed our recapitalization.
The non-profit, the OpenAI Foundation, is now one of the best resourced philanthropies ever, with equity valued at ~$130B. It continues to control the OpenAI for-profit, which is now a public benefit corporation.
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Because OpenAI is building AGI to displace all of humanity from the economy. It currently belongs to humanity. **It's supposed to be humanity's insurance policy.**

If they build the machines that displace humanity, the idea was that it would be owned by humanity. But it's no longer going to be owned by humanity.

It's going to be owned by a few individuals, giving Sam Altman more power than any dictator in human history.

This is the crazy scenario that is happening in the open. This should be illegal in any universe, but in our universe, in this dystopian situation, it happens that this theft has been approved.

How Can This Theft Be Stopped?

We're Filing a California Ballot Initiative to Stop the Greatest Theft in Human History

After exploring all options, we believe that this is the only way we can ensure that OpenAI—this trillion-dollar, multi-trillion-dollar asset that's about to displace humanity—remains the property of humanity.

Instead of letting one individual's decision—the Attorney General's decision—stand, we're letting California voters decide.

CANI

The Coalition for AI Nonprofit Integrity

Donum Dei Humanitati

canicoalition.com

Our Ballot Initiative to Secure OpenAI for Humanity Provides -- by far -- the Highest Return on Investment in Human History -- the Most Valuable Gift to All of Humanity

This is a **trillion-dollar asset** belonging to humanity that could be worth **hundreds of trillions of dollars** if they succeed in taking over the economy. It could eventually control all economic value — that's their stated goal.

Right now it belongs to humanity. It's being taken away.

Cost:

$15M - $100M

Secures:

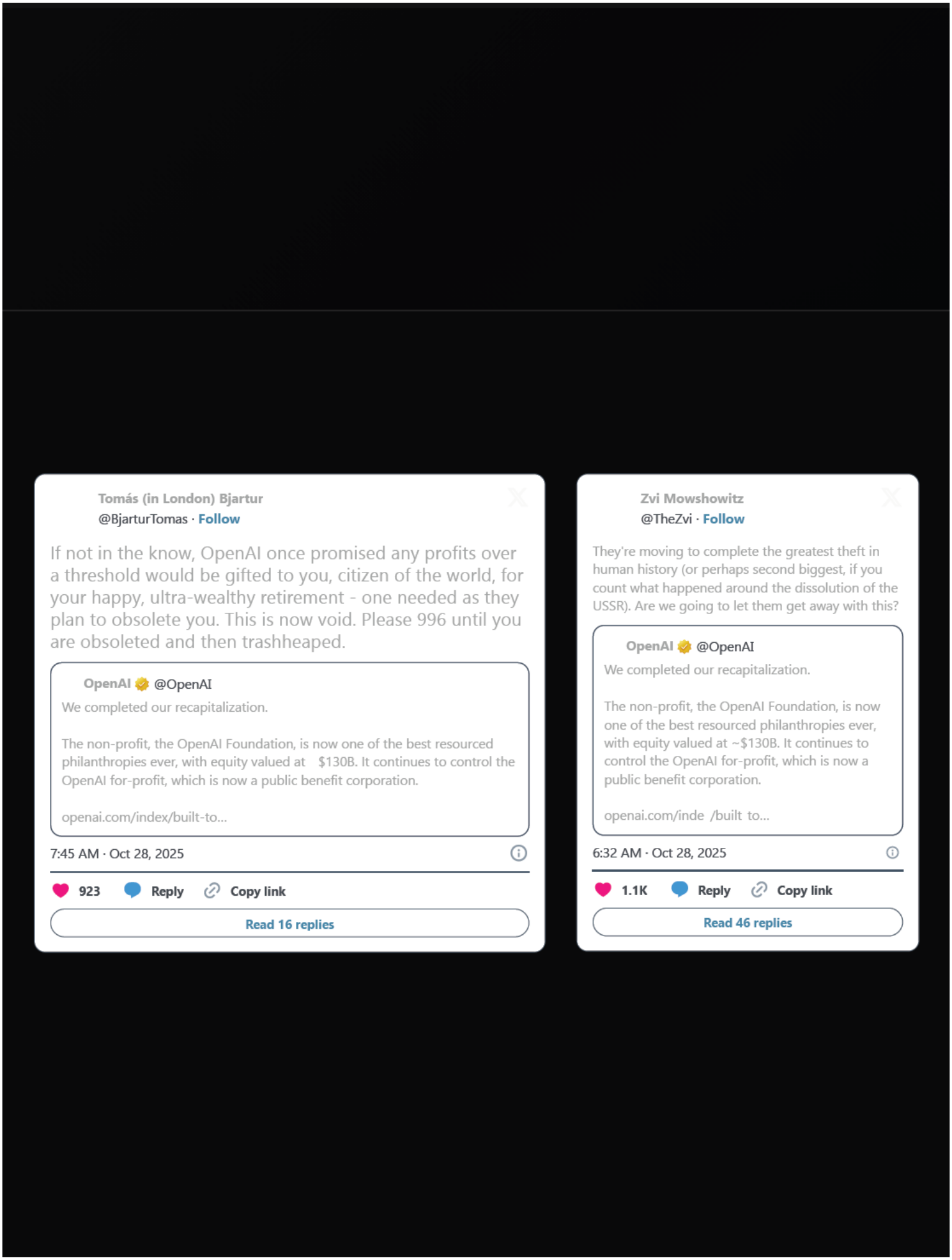
Multi-Trillion Dollar AGI Asset

Return Per Dollar:

$10,000 - $1,000,000

For all of humanity. Forever.

CONTACT US TO FUND THIS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The non-profit, the OpenAI Foundation, is now one of the best resourced philanthropies ever, with equity valued at $130B. It continues to control the OpenAI for-profit, which is now a public benefit corporation.
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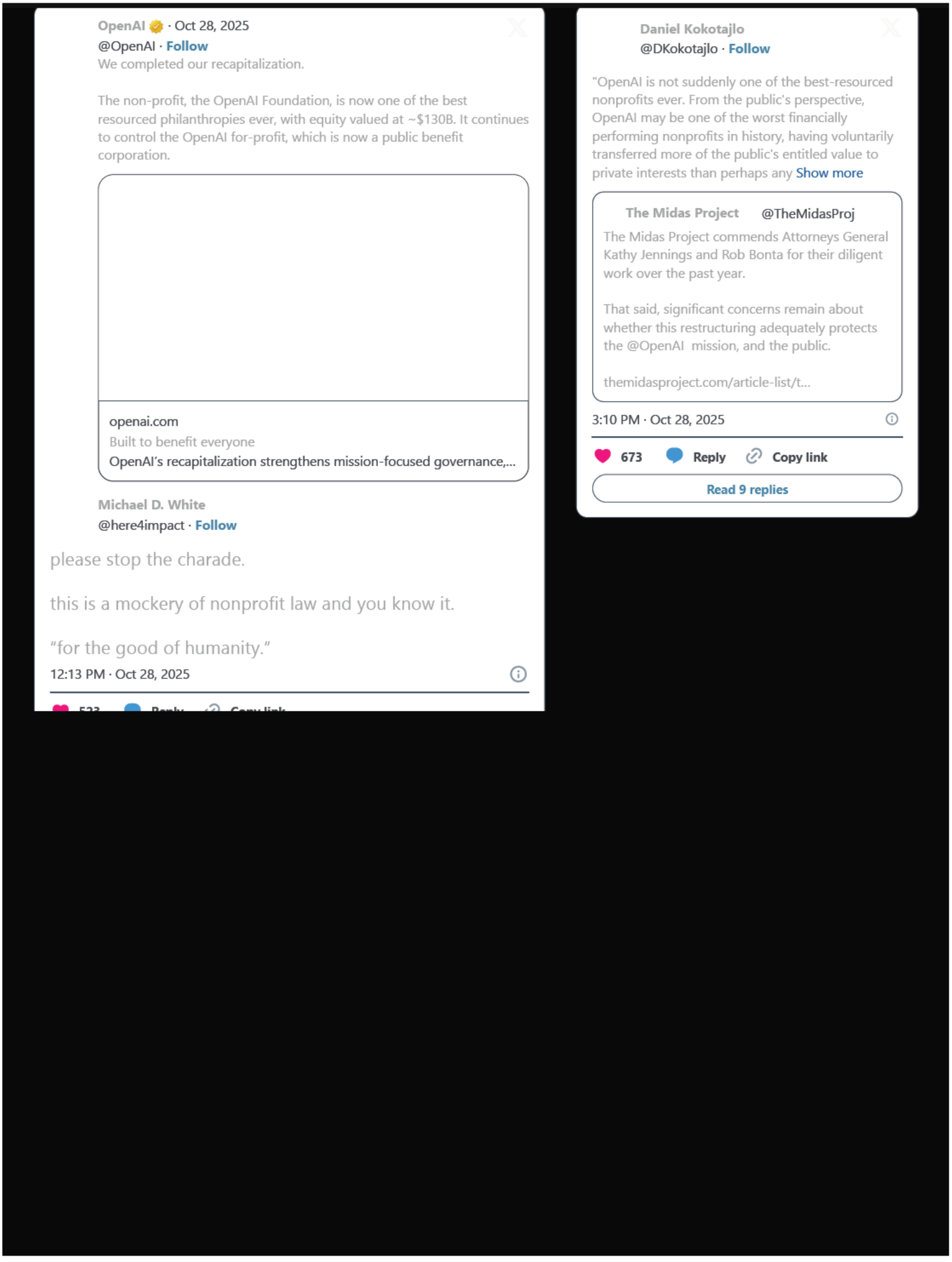

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openai.com
Built to benefit everyone
OpenAI's recapitalization strengthens mission-focused governance,...

Michael D. White
@here4impact · Follow

please stop the charade.

this is a mockery of nonprofit law and you know it.

"for the good of humanity."

12:13 PM · Oct 28, 2025

Daniel Kokotajlo
@DKokotajlo · Follow

"OpenAI is not suddenly one of the best-resourced nonprofits ever. From the public's perspective, OpenAI may be one of the worst financially performing nonprofits in history, having voluntarily transferred more of the public's entitled value to private interests than perhaps any Show more

The Midas Project @TheMidasProj
The Midas Project commends Attorneys General Kathy Jennings and Rob Bonta for their diligent work over the past year.

That said, significant concerns remain about whether this restructuring adequately protects the @OpenAI mission, and the public.

themidasproject.com/article-list/t...

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this has got to be a joke

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They did us all dirty.

I tried to tell everyone... •

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Gotta admire that Altman riz. Bro stole a whole light cone from a charitable foundation.

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>
> The non-profit, the OpenAI Foundation, is now one of the best resourced philanthropies ever, with equity valued at ~$130B. It continues to control the OpenAI for-profit, which is now a public benefit corporation.
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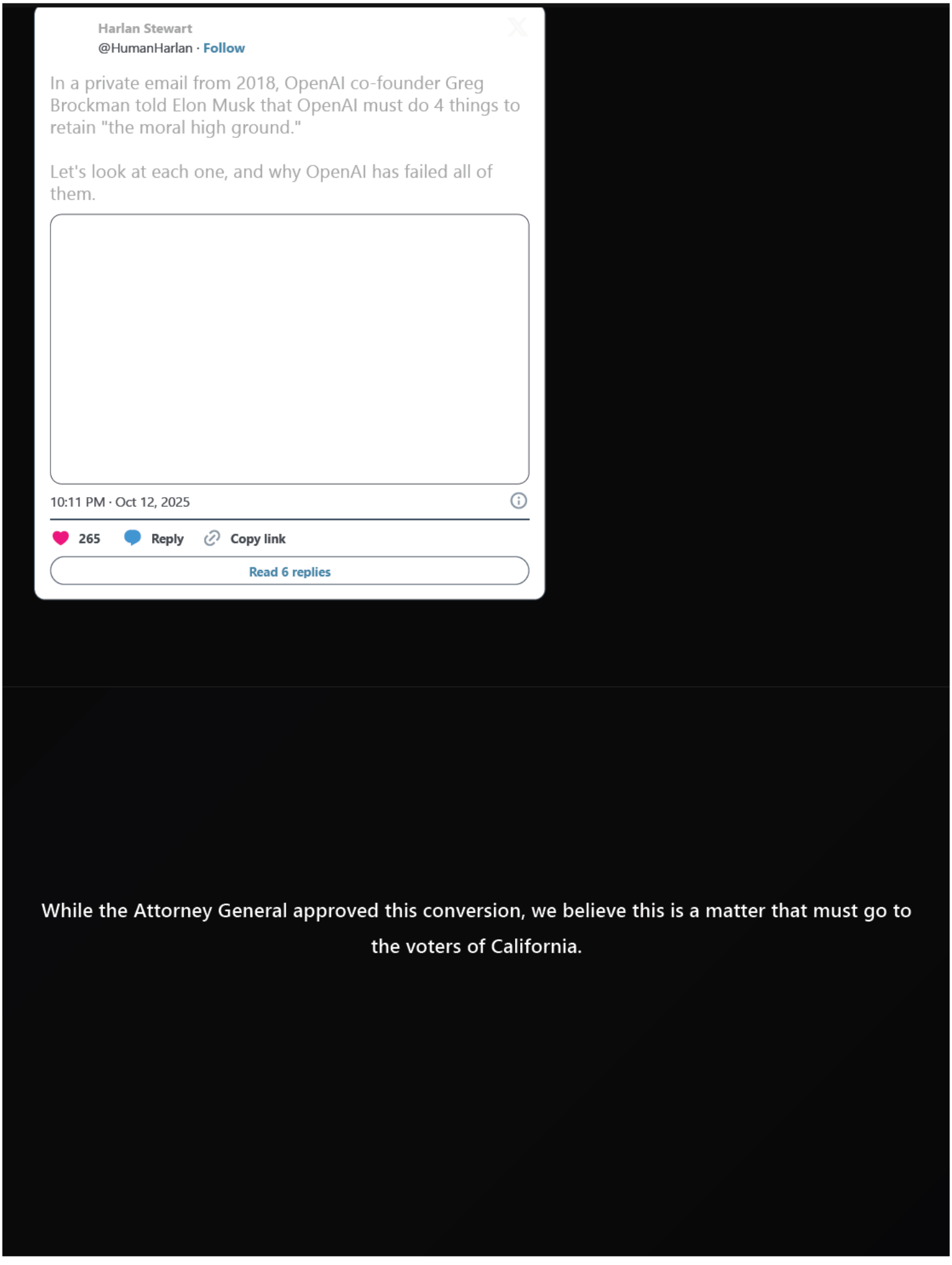
Harlan Stewart
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In a private email from 2018, OpenAI co-founder Greg Brockman told Elon Musk that OpenAI must do 4 things to retain "the moral high ground."
Let's look at each one, and why OpenAI has failed all of them.
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265
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While the Attorney General approved this conversion, we believe this is a matter that must go to the voters of California.

$15M to $100M overall will secure ownership of a multi-trillion dollar asset building AGI to displace humanity - for all of humanity.

Return Per Dollar:

$10,000 - $1,000,000

This is not just about stopping a conversion. This is about ensuring humanity's insurance policy when AGI displaces humanity from the economy, at least humanity will still own OpenAI.

We are calling on all billionaires to do the right thing and make the highest-return investment in human history.

Below is our open letter to:

Elon Musk

Vitalik Buterin

Mark Zuckerberg

Jeff Bezos

and All Other Billionaires

Prevent the Greatest Theft in Human History and Give the Biggest Gift in History to All of Humanity

See The ROI

Contact Us Now

For $15 to $100 million, you can secure a multi-trillion dollar asset for all of humanity.

Return Per Dollar Donated:

$10,000 - $1,000,000

$15-100M

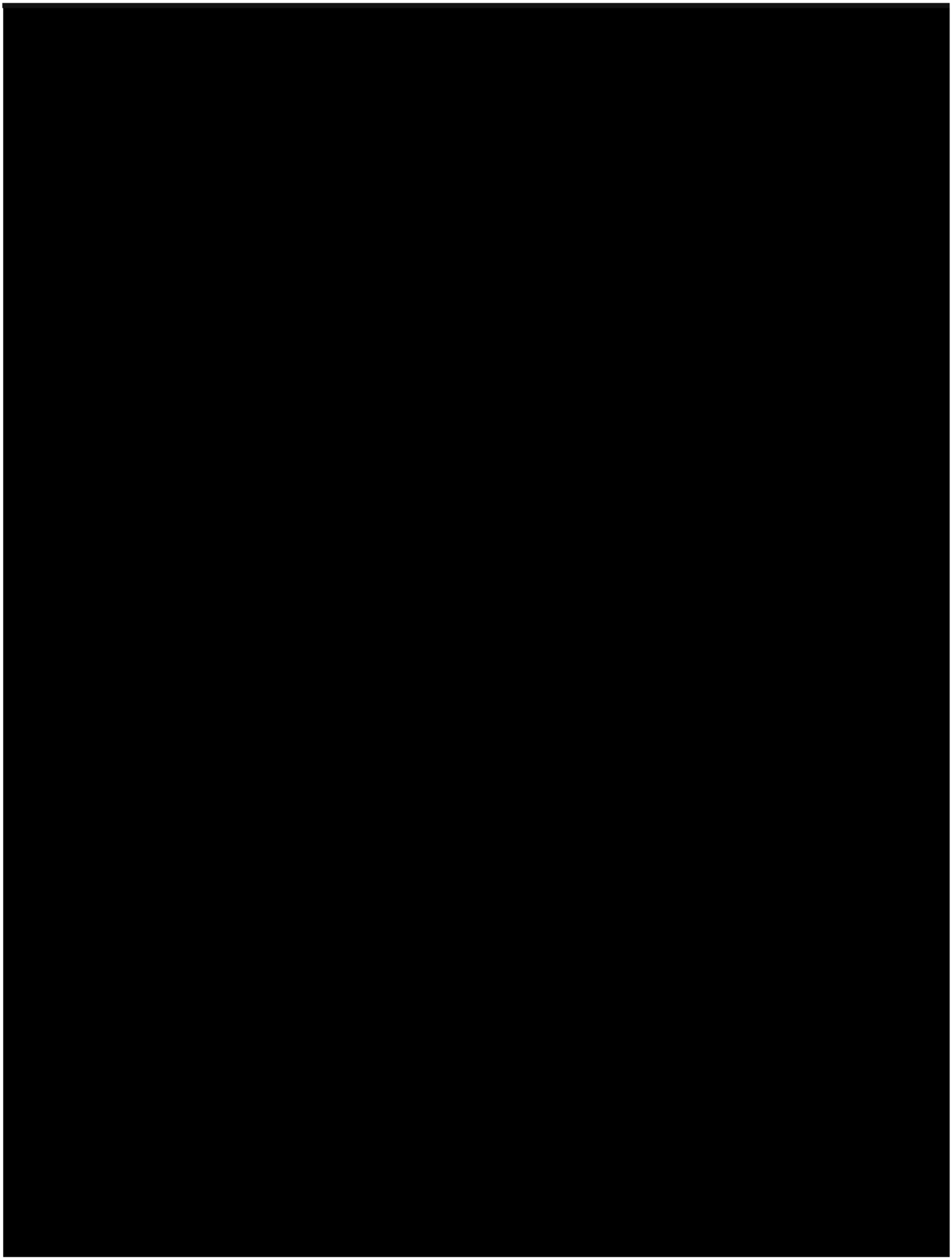
INVESTMENT REQUIRED

$500B+

VALUE TODAY
(TRILLIONS TOMORROW)

8B

BENEFICIARIES
(ALL OF HUMANITY)

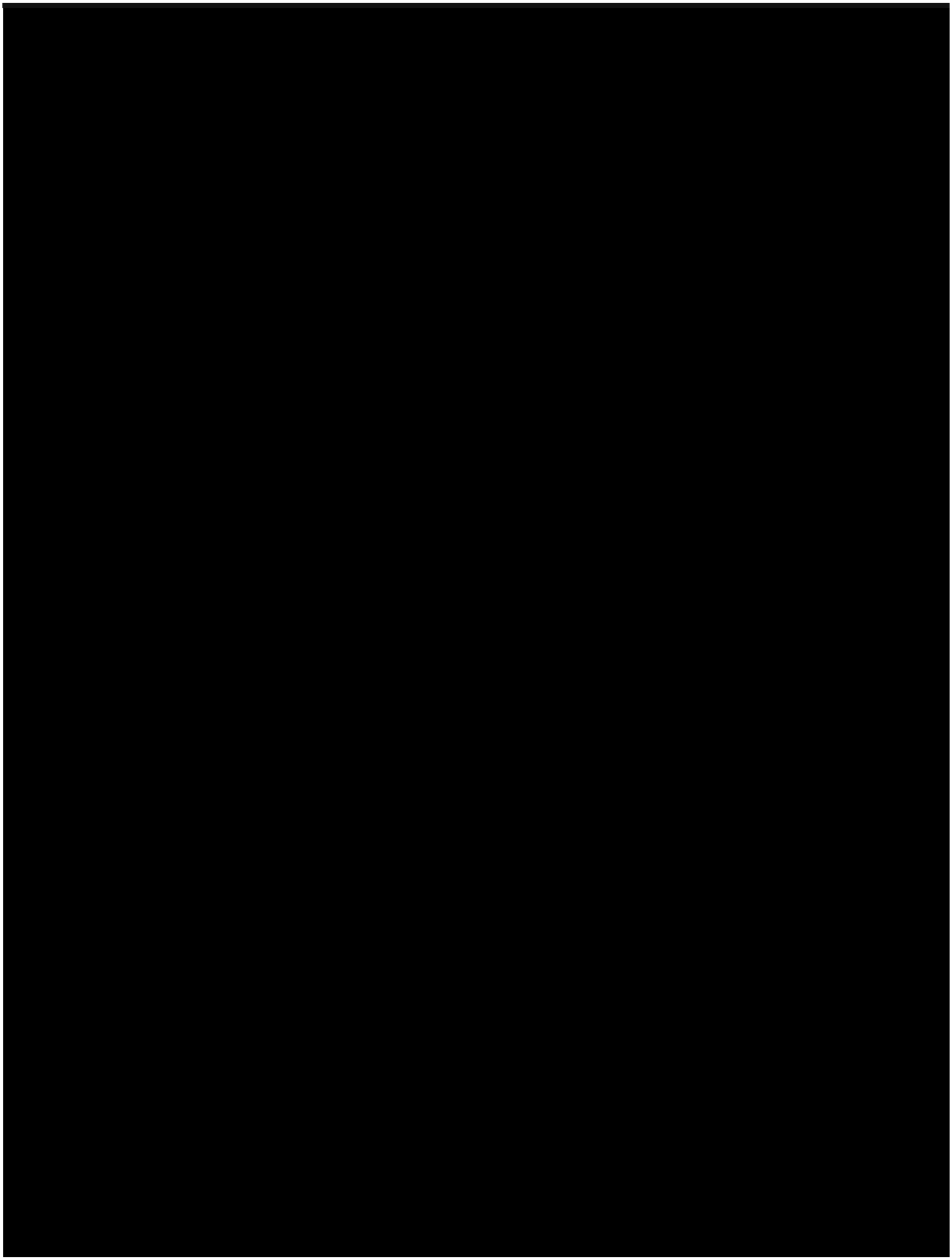


This has never been possible before in human history.

It will never be possible again.

This is 0.005-0.03% of your net worth. Approximately 0.02% of what you paid for Twitter.

Less than Tesla stock's single-minute volatility fluctuation. Less than one Starship prototype.



Who will step up?

Who will be the hero of humanity?

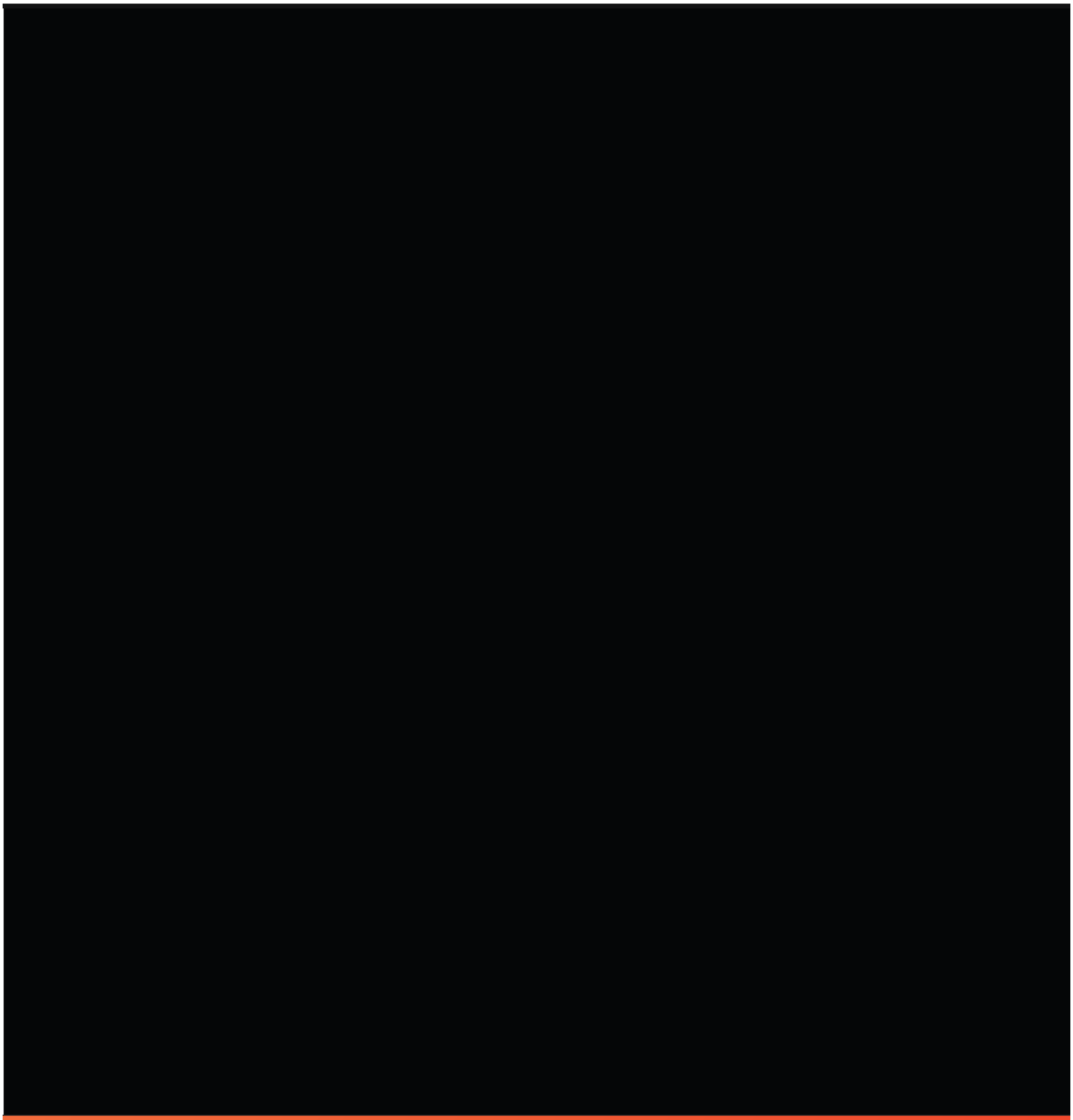
Not goodwill. Not karma. Not a tax writeoff.

We're buying humanity's future.

Will you act when it matters most?

Or will you watch the greatest theft in human history and think:

"I could have stopped that for 0.02% of my net worth"?



"The only thing necessary for the triumph of evil is for good men to do nothing."

— Edmund Burke

Give the greatest gift ever to humanity.

Let the people of California restore OpenAI to be the property of humanity.

All we need is YOU.

Don't Do Nothing

OpenTheft.com

The Coalition for AI Nonprofit Integrity (CANI)

Donum Dei Humanitati

canicoalition.com

Back to Top ↑

SHARE OPENTHEFT.COM — SPREAD THE MESSAGE

This is public. Share it. Spread it. Make it impossible to ignore.

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EXHIBIT L

Screenshot of CANI Website
(January 29, 2026)

INTERNET ARCHIVE Wayback Machine
https://canicoalition.com/
Go
71 captures
8 Feb 2025 - 29 Jan 2026
DEC JAN FEB
29
2025 2026 2027
About this capture

OpenAI's Charitable Assets Must Be Protected To Benefit the Public Good

The **Coalition for Artificial Intelligence Nonprofit Integrity (CANI)** — which includes researchers, consumer advocates, nonprofits, and community leaders — is urging the California Legislature to take decisive action to protect OpenAI's charitable assets with transparency and accountability.

Sign Our Coalition Letter

NEW! We just filed a California ballot initiative to ensure that charitable nonprofits like OpenAI remain dedicated to their chartered missions and the public good.

Go to opentheft.com to learn more →

For inquiries about the ballot initiative, please contact stop@opentheft.com

CA Legislature Must Take Action

The California Legislature must take decisive action to protect OpenAI's charitable assets — IP, products, and services — during its conversion to a for-profit entity, ensuring a transparent and accountable process. The estimated value of these assets exceeds $300 billion and demands careful stewardship to ensure they continue serving the public good. This responsibility cannot be left solely to one single official, as democratic accountability is essential to guide this process, keeping the protection of the charitable assets at the forefront.

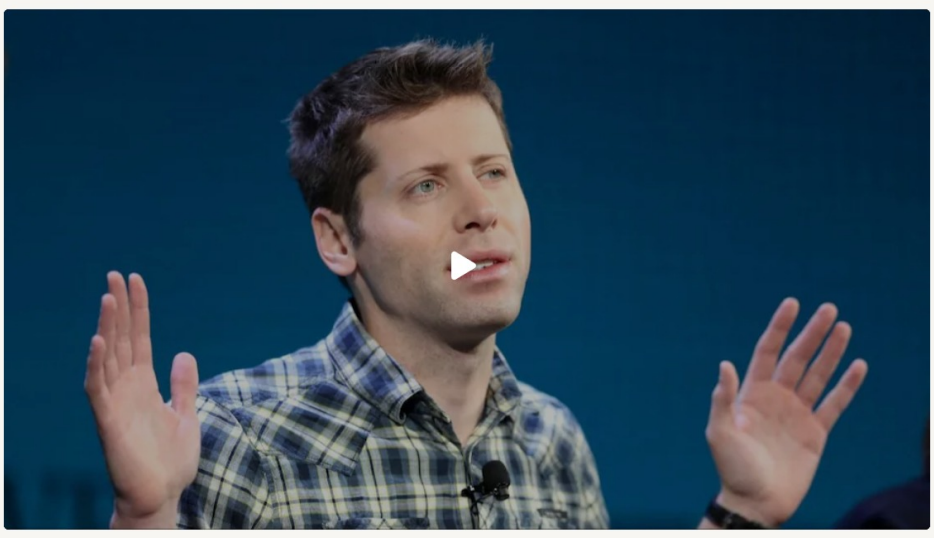
We need a legislative framework that includes:

- **Independent Oversight:** Establish an autonomous oversight body to monitor OpenAI's adherence to its mission of developing safe AGI to benefit all of humanity, and prevent unduly concentrating power over AGI in the hands of a few individuals or a corporation.
- **Universal Benefit:** Use governance structures that are designed to serve all of humanity to prevent exclusive control and ensure AGI advancements benefit all humanity.
- **Humanity Maintains Control:** Ensure OpenAI's resources are solely utilized to benefit all of humanity.

Sign Our Coalition Letter

OpenAI's False Promises

OpenAI was founded on an altruistic mission to develop AI and AGI (Artificial General Intelligence) for the benefit of humanity. Now that they are nearing unprecedented levels of profitability and are on the brink of winning the race to develop AGI, they are attempting to transfer the charitable assets to a for-profit entity and **unduly concentrate power in the hands of a few**.



OpenAI's announcement yesterday is little more than smoke and mirrors, failing to address the serious concerns raised by former employees, academics, and other experts. OpenAI's decision will still transfer the charitable assets for the benefit of just a few private individuals and investors. It will not resolve conflicts of interest or ensure transparency, undermining the public trust in their mission. We believe OpenAI should instead prioritize establishing autonomous oversight, accountability and transparency to uphold its original nonprofit principles.

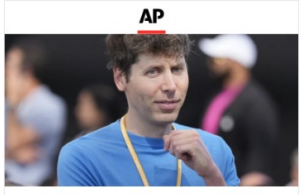
The reality is that a for-profit will still be created.

- The assets will still move from humanity to the for-profit and the nonprofit "in control" will be controlled by the same individuals who will own massive equity stakes in the for-profit.
- This enormous conflict of interest will ensure that their own financial interests dictate the operations of the organization, rather than the mission to benefit all of humanity.
- This would still provide the executives command of millions of superhuman-level AI agents. Currently, this asset now belongs to all of humanity as an insurance policy for humanity's combined economic interests and political power, but under the move by OpenAI it will now be transferred to the control and for the profit of a few individuals and investors.
- OpenAI's move to a for-profit has been called "the biggest theft of the millenia, if not of all of human history." And this latest announcement has not changed anything.

Sign Our Coalition Letter

Latest News

AP



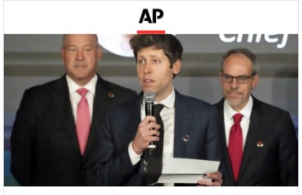
October 12, 2024

Changing OpenAI's nonprofit structure could have big consequences

NEW YORK (AP) — The artificial intelligence maker OpenAI may face a costly and inconvenient reckoning with its nonprofit origins even as its...

Read more

AP



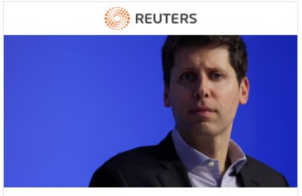
September 26, 2024

OpenAI looks to shift away from nonprofit roots and convert itself to for-profit company

OpenAI's history as a nonprofit research institute that also sells commercial products like ChatGPT may be coming to an end as the San Francisco compa...

Read more

REUTERS



September 24, 2024

Exclusive: OpenAI to remove non-profit control and give Sam Altman equity

SAN FRANCISCO, Sept 25 (Reuters) – ChatGPT-maker OpenAI is working on a plan to restructure its core business into a for-profit benefit...

Read more

This decision is too important. The CA Legislature **MUST** take action to protect OpenAI's Charitable Assets to *benefit humanity*.

Sign Our Coalition Letter

Coalition for AI Nonprofit Integrity

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STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

February 26, 2026

Eli Love
Via email: elove@rutan.com

Alexander Oldham
Via email: californiaaiact@proton.me

Matthew Alvarez
Via email: malvarez@rutan.com

Re: FPPC Complaint No. COM-02242026-00534; Eli Love, Alexander Oldham, Matthew Alvarez

Dear Respondents:

The Enforcement Division of the Fair Political Practices Commission has received a sworn complaint that either named you as a respondent or included allegations against you. It appears the complainant is alleging you have violated the Political Reform Act's[1] campaign disclosure provisions[2] and lobbyist violations. The information filed in the complaint is below and any attachments filed are enclosed. The complaint was filed against or included allegations against all those listed above.

The person filing the Complaint is:
Brian Hauck

The violations alleged are:

Lobbying Violation
N/A
Cal. Gov. Code § 86205

Campaign Statements Not Filed
Semiannual Statements (84200)

[1] The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

[2] Please note that under the Act, you are required to retain accounts, records, bills, receipts and other original source documentation. These records should be readily available for any audit or investigation conducted by the Fair Political Practices Commission. (GC §§ 84104, 86110 and 90003; Regulations 18401, 18401.1.)

Campaign Statements Not Filed
N/A
Cal. Gov. Code § 84101

Campaign Statements Not Filed
N/A
Cal. Gov. Code § 85309

At this time, we have not made any determination about the allegation(s) made in the complaint. Within 14 days, the complainant will be notified of our intent to:

- investigate the allegations of the complaint;
- refer the complaint to another governmental agency;
- take no action on the complaint because, on the basis of the information provided, the Commission does not appear to have jurisdiction to investigate; or
- take no action on the complaint because the allegations of the complaint do not warrant the Commission's further action.

A copy of that letter will be forwarded to you. If you have any comments on the allegation(s), your comments must be submitted in writing directed to Cole Smith by email to csmith@fppc.ca.gov. Please include the complaint number referenced above in your response.

Sincerely,

Kendall L.D. Bonebrake

Kendall L.D. Bonebrake
Chief, Enforcement Division

KLDB:cts